SAN FRANCISCO PUBLIC LIBRARY
3 1223 06446 5991

515



San Francisco Public Library

Government Information Center
San Francisco Public Library
100 Larkin Street, 5th Floor
San Francisco, CA 94102

REFERENCE BOOK

Not to be taken from the Library

Digitized by the Internet Archive
in 2013

http://archive.org/details/4minutes1993sanf

SAN FRANCISCO
BOARD OF SUPERVISORS

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

MINUTES

1993

This volume includes Calendars and Budget Analyst Memoranda.
Minutes of these meetings are not available.

3 1223 06446 5991

.238

93

ELLATION

BOARD of SUPERVISORS

City Hall
San Francisco 94102
554-5184

DOCUMENTS DEPT.
JAN 25 1993
SAN FRANCISCO
PUBLIC LIBRARY

Calendar

NOTICE OF CANCELED MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, January 26, 1993, at 2:00 p.m. has been canceled.

John L. Taylor
Clerk of the Board

Govt Documents
Public Library
Civic Center
S.F. CA 94102

D 0133

.238

193

BOARD of SUPERVISORS



City Hall
San Francisco 94102
554-5184

DOCUMENTS DEPT
FEB 8 1993
SAN FRANC
PUBLIC LIBRARY

NOTICE OF CANCELED MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

Calendar

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, February 9, 1993, at 2:00 p.m. has been canceled.

John L. Taylor
Clerk of the Board

D 0133

Govt Documents
Public Library
Civic Center
S.F. CA 94102

F
70.228
1
23/93

DOCUMENTS DEPT.
FEB 22 1993
SAN FRANCISCO
PUBLIC LIBRARY

CALENDAR
REGULAR MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, February 23, 1993 - 2:00 p.m. ROOM 228, CITY HALL

Members: Supervisors Kennedy, Kaufman, Achtenberg

Clerk: Joni Blanchard

1. File 13-93-5. [General Services Administration] Resolution urging the General Services Administration to maintain its administrative operations in San Francisco. (Supervisors Kaufman, Alioto, Shelley)

   ACTION:

2. File 222-93-1. Hearing to consider Civil Service Commission's handling of the protest and disqualification of the 1956 Senior Purchaser's exam. (Supervisor Kennedy)

   ACTION:

3. File 185-92-5. [Children's Services Plan, 1993-94] Resolution approving the Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415. (Supervisor Achtenberg)

   ACTION:

nomic Vitality and Social Policy Committee
rd of Supervisors
y Hall, Room 235
Francisco, CA 94102

D 0152
SF Public Library (2)
Document Section

City Report

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 19, 1993

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: February 23, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 13-93-5

Item: Resolution urging the U.S. General Services Administration to maintain its administrative operations in San Francisco.

Description: The U.S. General Services Agency (GSA), an agency of the Federal government, currently leases approximately 200,000 square feet of office space at 525 Market Street in San Francisco from Tishman Speyer. The GSA has issued a Request for Proposal for office space in San Francisco or Oakland since its current lease will expire in April, 1994. According to the Mayor's Office, the GSA is required under Federal regulations to solicit competitive bids for office space.

The GSA employs approximately 800 persons. Concern has been expressed that, if the GSA relocates its offices outside of San Francisco, the relocation of these 800 jobs would have an adverse effect on the San Francisco economy resulting from 1) the loss of salaried employees working in San Francisco; 2) a loss of rent paid by the GSA for its office space in San Francisco, and 3) a loss of "other economic benefits" which are not specified in the proposed resolution.

DOCUMENTS DEPT.

SEP 26 2000

SAN FRANCISCO
PUBLIC LIBRARY

The proposed resolution would find that, "the presence of the GSA in San Francisco provides hundreds of jobs and millions of dollars in economic benefits to San Francisco;" urge the GSA to "continue its long association in San Francisco;" and urge the Mayor's Office of Economic Development "to provide whatever assistance may be helpful to the GSA in meeting its office needs in San Francisco." In addition, the Clerk of the Board of Supervisors would be directed to transmit a copy of the resolution to the GSA Regional Director.

Comments:

1. Ms. Eila Arbuckle of the Mayor's Office of Economic Planning and Development (MOEPD) states that MOEPD is working with the GSA and the San Francisco business community to retain the GSA regional headquarters in San Francisco, since one of the City's key competitive advantages is as a center for government administration. Since the GSA requires approximately 200,000 square feet of space, and only a few office sites of this size are available in modern buildings in San Francisco, Ms. Arbuckle indicates that it is important for the City to assist the GSA in meeting its office space requirements.

2. The Budget Analyst notes that the extent of the economic losses which the City would incur in the event the GSA leaves San Francisco will depend on a number of factors, including the following:

(a) Whether and how quickly an alternative tenant for the office space is found. If an alternative tenant, employing approximately the same number of employees as the GSA, is found for the office space, the effect of the GSA's relocation would be negligible. In addition, if a new tenant pays higher wages and salaries than the GSA, or utilizes a larger number of business-related services (provided by San Francisco firms) than the GSA, then a new tenant could stimulate the San Francisco economy at a higher level than the GSA.

If an alternative tenant is not found in the event that the GSA leaves, then the City would undoubtedly experience a lower level of economic activity.

(b) The extent to which GSA employees are San Francisco residents. San Francisco residents stimulate the local economy more than non-residents. If, as a result of the GSA's relocation, current San Francisco residents moved to residences outside the City, then the loss of their "buying power" could be significant.

(c) The GSA is not required to pay local business taxes, since it is a government agency. If, as the result of the GSA's relocation outside of San Francisco, the office space which it occupies were instead occupied by a business which is subject to such taxes, then the City would realize a direct gain in tax revenues as a result of an expansion of the City's tax base.

However, the possibility for such an increase in tax revenues also depends on the potential for the office space to be leased by another tenant (who would pay business taxes), rather than remain vacant.

3. As noted above, if an alternative tenant is not found in the event that the GSA leaves, then the City would undoubtedly experience a lower level of economic activity. According to Mr. Phil Aissen of the Department of Real Estate, based on Real Estate industry surveys, the overall vacancy rate for commercial office space throughout the City has remained substantially unchanged, at approximately 10.9 percent, over the last year, although in some parts of the City, vacancy rates have declined.

According to a San Francisco commercial real estate survey provided by Mr. Aissen, "Although 1993 activity is expected to remain flat, vacancy rates are likely to continue their downward movement." The survey also reflects that "an earlier trend of ... decreasing rental rates seems to have ended," and that "while rental rates have stabilized, lease concession packages [from landlords to tenants] have diminished."

These statements reflect that demand for office space in San Francisco is increasing, vacancy rates are declining, and rental rates, which were declining, have now stabilized.

4. The variables discussed above are only a few of the potential economic effects of the relocation of a major employer in San Francisco. The actual economic impacts if the GSA were to leave the City would depend on business conditions (including office vacancy rates and office space rental rates) in San Francisco at that time. The best case scenario for the City's economy, or course, would be for the City to retain the GSA and to attract additional businesses, although the City's ability to attract new businesses depends at least partly on the availability and price of office space.

5. As of the writing of this report, the Mayor's Office had not provided the Budget Analyst with specific details of the estimated economic impact of the potential relocation of the General Services Administration outside of San Francisco.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 3 - File 185-92-5

Note: This item was transferred to the Economic Vitality and Social Policy Committee at the February 3, 1993 Budget Committee Meeting. The Budget Committee requested that the Mayor's Office of Children, Youth and their Families (MOCYF) consider revising the proposed Fiscal Year 1993-94 Children's Services Plan allocation in order to reduce administrative costs of the MOCYF in the plan. Although, as of the writing of this report, the revised plan has not been printed, the MOCYF provided the Budget Analyst with an advance copy of the revised proposed budget that is detailed in the Proposed Budget section, below.

Department: Mayor's Office of Children, Youth and their Families (MOCYF)

Item: Resolution approving the Fiscal Year 1993-94 Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the existing level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. Therefore, the total funding for children's services in Fiscal Year 1992-93 is approximately $55.7 million (approximately $50 million baseline plus $5.7 million in the Children's Fund). The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

Beginning in fiscal year 1993-94, the Children's Amendment requires a public planning process, in which public hearings are to be held by the Public Health, Juvenile Probation, Social Services, Recreation and Parks, and Public Library Commissions prior to submission of the Mayor's Children's Services Plan to the Board of Supervisors. According to the proposed plan, 19 such public hearings were held in November and December, 1992.

Proposed Budget: The funding allocations for Fiscal Year 1992-93 expenditures of the Children's Fund and the proposed Children's Services Plan for 1993-94 reflecting the revised estimated program expenditures from the Children's Fund based on a reduction in administrative staff for MOCYF from 20 in the original plan to 11 in the revised plan are as follows:

SERVICE CATEGORIES	Funding Allocations for FY 1992-93	Proposed Plan for FY 1993-94
Childcare		
Vouchers to Parents	$454,764	$454,764
Provider Center Subsidies	332,100	606,440
SFUSD Children's Centers	80,000	80,000
After School Care Programs	246,409	246,409
Respite Care	75,000	318,855
Day Care Technical Assistance	37,500	37,500
S.F.Unified Departmental Services	–	965,845
Special Projects	–	141,365
Matching Funds	–	39,228
Department Annualization	–	29,241
Special Needs	58,829	150,279
Total-Childcare	$1,284,602	$3,069,926
Health and Social Services		
Public Health Nurse - AFDC Intake	$22,000	$22,000
Health Outreach Worker	22,000	22,000
Neighborhood Preventive Health Team	368,945	368,945
Healthy Start Matching Funds	100,000	100,000
Mental Health Centers Outreach	149,040	149,040
GAIN Teen Program	225,000	225,000
Prevention Services	150,000	592,120
Homeless Families	56,250	56,250
Mental Health to Child Care	147,290	147,290
Child Abuse Prevention	29,817	88,767
S.F.Unified Departmental Services	–	939,775
Special Projects	–	136,690
Matching Funds	–	42,722
Department Annualization	–	44,044
Special Needs	46,858	135,283
Total-Health and Social Services	$1,317,200	$3,069,926

	Funding Allocations for FY 1992-93	Proposed Plan for FY 1993-94
Job Readiness, Training, and Placement		
Dropout Prevention	$244,822	$244,822
Job Readiness	469,183	838,253
Foster Children Vocational Counseling	28,000	28,000
Mayor's Youth Employment & Educ.	300,000	300,000
Workreation Expansion	64,590	64,590
Early Exposure - ages 12-14	35,510	189,290
S.F.Unified Departmental Services	–	980,625
Special Projects	–	142,635
Matching Funds	–	44,576
Department Annualization	–	1,260
Special Needs	143,610	235,875
Total-Job Readiness, Training, and Placement	$1,285,715	$3,069,926
Library, Recreation, Delinquency Prevention, Education		
Extended Library Children's Hours	$321,543	$321,543
Off-site Library Services	75,000	75,000
Age Appropriate Reading Materials	25,000	25,000
Rec/Park Youth Services Planner	55,878	55,878
Teen Multi-Service Centers	281,254	465,659
Tutorials/Peer Support	263,658	337,418
Alternatives to Detention	130,000	197,615
Cultural Enrichment	–	196,700
S.F. Unified Departmental Services	–	979,940
Special Projects	–	142,535
Matching Funds	–	44,560
Department Annualization	–	18,977
Special Needs	116,901	209,101
Total Library, Recr., Delinquency Prev., Educ.	$1,269,234	$3,069,926
Total Service Categories	**$5,156,751**	**$12,279,704**

	Funding Allocations for FY 1992-93	Proposed Plan for FY 1993-94
ADMINISTRATIVE COSTS		
Personnel (salaries and fringe benefits)	$265,541	$607,424
Technical Assistance	29,084	–
Fiscal/Accounting Services	36,000	–
Professional Services	–	249,772
Rent, supplies and equipment	77,576	42,300
Miscellaneous	39,200	20,800
Total Administrative Costs	**$447,401**	**$920,296**
UNALLOCATED	$95,848	–
TOTAL CHILDREN'S PLAN	**$5,700,000**	**$13,200,000**

Comments:

1. The original Fiscal Year 1993-94 Children's Services Plan included $1,320,000 for administration of MOCYF. The revised plan, by reducing the number of staff from 20 to 11 and other changes requires $920,296, for a savings of $399,704 that has been reallocated to direct services to children, youth and families.

2. According to the proposed Children's Services Plan, some of the proposed expenditures from the Children's Fund can be used to leverage additional funding from Federal, State and other funding sources. The programs listed in the Children's Services Plan which reflect opportunities to receive additional Federal, State or other funding are as follows:

Program	Recommended Administrator	Proposed Allocation Children's Fund	Source of Additional Funding	Amount of Additional Funding
SFUSD Children's Centers	SFUSD	$80,000	Prop. 98	$1,500,000
Nurse-AFDC Intake	DSS	22,000	CHDP	22,000
Health Outreach Worker	SFUSD	22,000	CHDP	24,000
Neigh. Prev. Health Team	DPH	368,945	CHDP	50,000
Healthy Start	SFUSD	100,000	SB 620	300,000
			Other Grants	150,000
GAIN Teen Program	DSS	225,000	Title IV	225,000
Foster Children Voc. Coun.	DSS	28,000	FILS	28,000
Total		$845,945		$2,299,000

SFUSD = San Francisco Unified School District
DSS = Department of Social Services
DPH = Department of Public Health
CHDP = State Child Health and Disabilities Program
FILS = Federal Independent Living Skills Program
SB 620 = California Healthy Start Program

3. In November 1992, the Board of Supervisors approved a resolution urging the Mayor to utilize the Fiscal Year 1992-93 Children's Services Plan as the foundation for the 1993-94 plan in order to maintain continuity in the provision of services. This resolution also provided that services contracted from community based providers would be provided for an 18 month period from January, 1993 through June, 1994 with the first nine months (January through September 1993) funded from the 1992-93 Children's Fund appropriations and the last nine months (October, 1993 through June, 1994) funded from the 1993-94 Children's Fund appropriation.

4. The proposed Children's Services Plan for 1993-94 is a guideline for implementation of the Children's amendment and does not itself appropriate funds. Appropriation of funds will be accomplished in the regular budget approval process for the City's 1993-94 budget.

5. The Children's Services Plan for 1993-94 includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the S.F.Unified School District) Departmental Services fund ($965,845 for Childcare, $939,775 for Health and Social Services, $980,625 for Job Readiness, Training, and Placement and $979,940 for Library, Recreation, Delinquency Prevention, Education). These monies will be administered by the MOCYF to obtain children's services provided jointly

by San Francisco Unified School District, other City departments and the Private Industry Council (PIC).

6. As previously noted, the final printed version of the revised Children's Services Plan and budget for 1993-94 reflecting revisions made to the plan since February 3, 1993 was not available for review by the Budget Analyst.

Recommendation: Approval of the Fiscal Year 1992-93 Children's Services Plan is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Achtenberg
Supervisor Shelley
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

.238

93

BOARD of SUPERVISORS

City Hall
San Francisco 94102
554-5184

DOCUMENTS DEPT.
MAR 0 8 1993
SAN FRANCISCO
PUBLIC LIBRARY

NOTICE OF RESCHEDULED MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, March 9, 1993, at 2:00 p.m. has been rescheduled to Tuesday, March 16, 1993, at 2:00 p.m., in the Legislative Chamber, Second Floor, City Hall.

John L. Taylor
Clerk of the Board

ıomic Vitality and Social Policy Committee
' Hall, Room 235
Francisco, CA 94102

ORTANT HEARING NOTICE!

Govt Documents
Public Library
Civic Center
S.F. CA 94102

D 0133

.238

93

CALENDAR
RESCHEDULED MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
MAR 15 1993
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY, March 16, 1993 - 2:00 p.m. Legislative Chamber
Second Floor, City Hall

Members: Supervisors Kennedy, Kaufman, Achtenberg

Clerk: Joni Blanchard

1. File 222-93-1. Hearing to consider Civil Service Commission's handling of the protest and disqualification of the 1956 Senior Purchaser's exam. (Supervisor Kennedy)

   (Consideration continued from 2/23/93)

   ACTION:

2. File 185-92-5. [Children's Services Plan, 1993-94] Resolution approving the Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415. (Supervisor Achtenberg)

   (Consideration continued from 2/23/93)

   ACTION:

NOTE: HOUSING & LAND USE CALENDAR FOR MARCH 18, 1993, BEGINS ON BACK PAGE.

D 0152

SF Public Library (2)
Document Section

C A L E N D A R
REGULAR MEETING
HOUSING AND LAND USE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

THURSDAY, March 18, 1993 - 10:00 a.m. City Hall, Room 228

Members: Supervisors Achtenberg, Maher, Migden

Clerk: Joni Blanchard

1. File 7-93-5. Hearing to consider status report on the construction of the Municipal Railway's F-line from the foot of Market Street to Fisherman's Wharf. (Supervisors Shelley and Alioto)

   ACTION:

2. File 171-92-9. [Terminal Separator] Resolution requesting Caltrans to undertake a study of alternative designs to the Terminal Separator structure replacement and the Transbay Terminal. (Supervisor Maher)

   (Consideration continued from 3/4/93)

   ACTION:

3. File 24-93-1. [Permit] Appealing decision of the Department of Public Works by its letter, dated January 22, 1993, denying Stacey Morrone of AQUA a Minor Sidewalk Encroachment Permit for property located at 252 California Street to place two planters at the entry to building. (Stacey Morrone of AQUA)

   (Consideration continued from 3/4/93)

   (Chair may entertain a motion to continue this item.)

   ACTION:

4. File 270-92-1. Hearing to consider legislation which would require every dwelling unit in the City to be equipped with an emergency preparedness kit. (Supervisor Alioto)

   ACTION:

5. File 270-92-4. Hearing to consider the City's emergency preparedness measures. (Supervisor Alioto)

   (Consideration continued from 2/18/93)

   ACTION:

6. File 270-92-4.1. [Disaster Council] Resolution urging the Mayor to urge the Director of Emergency Services to adopt the findings and recommendations of the Neighborhood Preparedness Advisory Committee Report as part of the official disaster preparedness plan. (Supervisors' Shelley, Achtenberg, Alioto, Maher, and Migden)

(Consideration continued from 2/18/93)

ACTION:

7. File 114-92-11. Hearing to consider amending the Building Code to make it mandatory that building inspectors actually go inside the buildings after a major disaster to determine whether or not it is occupied. (Supervisor Kennedy)

ACTION:

8. File 75-92-4. Hearing to consider renaming Fitch Street to Arelious Walker Drive. (Supervisor Kennedy)

ACTION:

9. File 169-93-1. [Street Artist] Resolution designating for six months two selling spaces on Beach Street, northwest corner, at Hyde Street, for street artists certified by the Art Commission. (Supervisor Hallinan)

ACTION:

10. File 161-93-1. [Redevelopment Survey Area] Resolution designating and describing a Redevelopment Survey Area within the City and County of San Francisco pursuant to the California Community Redevelopment Law (10th and Market Streets, proposed new Federal office building site). (Supervisor Migden)

FISCAL IMPACT

(Consideration continued from 2/18/93)

ACTION:

Economic Vitality & Social Policy Committee
Housing & Land Use Committee
Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

IMPORTANT HEARING NOTICES!

Public Library, Documents Dept.
ATTN: Jane Hudson

.238

CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
MAR 15 1993
SAN FRANCISCO
PUBLIC LIBRARY

93

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 12, 1993

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst Recommendations

SUBJECT: March 16, 1993 Rescheduled Economic Vitality and Social Policy Committee Meeting

Item 2 - File 185-92-5

Note: This item was transferred to the Economic Vitality and Social Policy Committee by the Budget Committee. The Budget Committee requested that the Mayor's Office of Children, Youth and their Families (MOCYF) consider revising the proposed Fiscal Year 1993-94 Children's Services Plan to reduce administrative costs of the MOCYF in the plan.

This item was continued at the February 23, 1993 Economic Vitality and Social Policy Committee pending finalization of the revised Fiscal Year 1993-94 Children's Services Plan reflecting reductions in administrative costs.

Department: Mayor's Office of Children, Youth and their Families (MOCYF)

Item: Resolution approving the Fiscal Year 1993-94 Children's Services Plan for the San Francisco Children's Fund in accordance with Charter Section 6.415.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the existing level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. Therefore, the total funding for children's services in Fiscal Year 1992-93 is approximately $55.7 million (approximately $50 million baseline plus $5.7 million in the Children's Fund). The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding

requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

Beginning in fiscal year 1993-94, the Children's Amendment requires a public planning process, in which public hearings are to be held by the Public Health, Juvenile Probation, Social Services, Recreation and Parks, and Public Library Commissions prior to submission of the Mayor's Children's Services Plan to the Board of Supervisors. According to the proposed plan, 19 such public hearings were held in November and December, 1992.

Proposed Budget: The funding allocations for Fiscal Year 1992-93 expenditures of the Children's Fund and the proposed Children's Services Plan for 1993-94 reflecting the revised estimated program expenditures from the Children's Fund based on a reduction in administrative staff for MOCYF are as follows:

SERVICE CATEGORIES	Funding Allocations for FY 1992-93	Proposed Plan for FY 1993-94
Childcare		
Vouchers to Parents	$454,764	$454,764
Provider Center Subsidies	332,100	606,440
SFUSD Children's Centers	80,000	80,000
After School Care Programs	246,409	246,409
Respite Care	75,000	318,855
Day Care Technical Assistance	37,500	37,500
S. F. Unified Departmental Services	–	965,845
Special Projects	–	141,365
Matching Funds	–	39,228
Department Annualization	–	29,241
Special Needs	58,829	150,279
Total-Childcare	$1,284,602	$3,069,926

	Funding Allocations for FY 1992-93	Proposed Plan for FY 1993-94
Health and Social Services		
Public Health Nurse - AFDC Intake	$22,000	$22,000
Health Outreach Worker	22,000	22,000
Neighborhood Preventive Health Team	368,945	368,945
Healthy Start Matching Funds	100,000	100,000
Mental Health Centers Outreach	149,040	149,040
GAIN Teen Program	225,000	225,000
Prevention Services	150,000	592,120
Homeless Families	56,250	56,250
Mental Health to Child Care	147,290	147,290
Child Abuse Prevention	29,817	88,767
S. F. Unified Departmental Services	–	939,775
Special Projects	–	136,690
Matching Funds	–	42,722
Department Annualization	–	44,044
Special Needs	46,858	135,283
Total-Health and Social Services	$1,317,200	$3,069,926
Job Readiness, Training, and Placement		
Dropout Prevention	$244,822	$244,822
Job Readiness	469,183	897,033
Foster Children Vocational Counseling	28,000	28,000
Mayor's Youth Employment & Educ.	300,000	300,000
Workreation Expansion	64,590	64,590
Early Exposure - ages 12-14	35,510	130,510
S. F. Unified Departmental Services	–	980,625
Special Projects	–	142,635
Matching Funds	–	44,576
Department Annualization	–	1,260
Special Needs	143,610	235,875
Total-Job Readiness, Training, and Placement	$1,285,715	$3,069,926

	Funding Allocations for FY 1992-93	Proposed Plan for FY 1993-94
Library, Recreation, Delinquency Prevention, Education		
Extended Library Children's Hours	$321,543	$321,543
Off-site Library Services	75,000	75,000
Age Appropriate Reading Materials	25,000	25,000
Rec/Park Youth Services Planner	55,878	55,878
Teen Multi-Service Centers	281,254	465,659
Tutorials/Peer Support	263,658	337,418
Alternatives to Detention	130,000	197,615
Cultural Enrichment	–	196,700
S. F. Unified Departmental Services	–	979,940
Special Projects	–	142,535
Matching Funds	–	44,560
Department Annualization	–	18,977
Special Needs	116,901	209,101
Total Library, Recr., Delinquency Prev., Educ.	$1,269,234	$3,069,926
Total Service Categories	**$5,156,751**	**$12,279,704**
ADMINISTRATIVE COSTS		
Personnel (salaries and fringe benefits)	$265,541	$607,424
Technical Assistance	29,084	–
Fiscal/Accounting Services	36,000	–
Professional Services	–	249,772
Rent, supplies and equipment	77,576	42,300
Miscellaneous	39,200	20,800
Total Administrative Costs	**$447,401**	**$920,296**
UNALLOCATED	$95,848	–
TOTAL CHILDREN'S PLAN	**$5,700,000**	**$13,200,000**

Comments:

1. The original Fiscal Year 1993-94 Children's Services Plan included $1,320,000 for administration of MOCYF. The revised plan, by reducing the number of staff from 20 to 11 and other changes requires $920,296, for a savings of $399,704 that has been reallocated to direct services to children, youth and families.

2. In November 1992, the Board of Supervisors approved a resolution urging the Mayor to utilize the Fiscal Year 1992-93 Children's Services Plan as the foundation for the 1993-94

plan in order to maintain continuity in the provision of services. This resolution also provided that services contracted from community based providers would be provided for an 18 month period from January, 1993 through June, 1994 with the first nine months (January through September 1993) funded from the 1992-93 Children's Fund appropriations and the last nine months (October, 1993 through June, 1994) funded from the 1993-94 Children's Fund appropriation.

3. The proposed Children's Services Plan for 1993-94 is a guideline for implementation of the Children's amendment and does not itself appropriate funds. Appropriation of funds will be accomplished in the regular budget approval process for the City's 1993-94 budget.

4. The Children's Services Plan for 1993-94 includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the S. F. Unified School District) Departmental Services fund ($965,845 for Childcare, $939,775 for Health and Social Services, $980,625 for Job Readiness, Training, and Placement and $979,940 for Library, Recreation, Delinquency Prevention, Education). These monies will be administered by the MOCYF to obtain children's services provided jointly by San Francisco Unified School District, other City departments and the Private Industry Council (PIC).

Recommendation: Approval of the Fiscal Year 1992-93 Children's Services Plan is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Achtenberg
Supervisor Shelley
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

CitiReport

3238
22/93
2

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 18, 1993

DOCUMENTS DEPT
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: March 22, 1993 Economic Vitality and Social Policy Committee Meeting

Items 1 and 2 - Files 107-94-1 and 107-89-15

Note: Item 2, File 107-89-15 was continued from the Economic Vitality and Social Policy Committee meeting on June 8, 1993.

Department: Department of Social Services (DSS)

Items: Item 1, File 107-94-1 - This item is a hearing to consider a report on the Department of Social Services' failure to meet its goals for taking care of its foster children.

Item 2, File 107-89-15 - This item is a hearing to consider the Department of Social Services' procedures and regulations concerning foster children, including the placement of foster children outside of San Francisco County, and to consider the effects of Senate Bill No. 1177 on the adoption of children.

Description: The Department of Social Services (DSS) reports that it is DSS's policy to place children in homes as close to their own families as possible. However, DSS advises that San Francisco's foster children are placed outside of the County for various reasons as follows:

(1) Placing a child in the most appropriate foster home, based on the child's individual needs, sometimes necessitates placing children outside of San Francisco.

(2) Many of the African American foster families who originally lived in San Francisco have moved out of the City. In such cases, it is often determined to be in the child's best interests to move with the foster family.

(3) DSS uses African American home finding agencies which serve the entire Bay Area and many of their approved homes are located in other Counties.

(4) Placing a child with relatives, which DSS considers a priority, sometimes requires placing the child outside of San Francisco. According to DSS, of the approximately 3,600 children currently placed in the Foster Care Program, 42% reside with relatives, either inside or outside of San Francisco, the remaining 58% are with non-relatives.

Senate Bill 1177 was originally aimed at establishing conditions under which foster parents must be given consideration, along with other potential adoptive families, to become the adoptive parents of a foster child. The bill was drafted in response to a specific case involving a foster family that cared for a child with Down's Syndrome for 1 1/2 years. Children's Home Society (CHS), the agency that was in charge of the adoption proceedings for this specific case, did not consider that foster family when it sought a permanent placement for the child. As a result, the foster family sued CHS.

DSS previously reported, that a "corrected" version of SB 1177 was drafted to be known as Senate Bill 2188 (SB 1177 was withdrawn by the author in favor of the new, "corrected" version, SB 2188). The new SB 2188, specified that the conditions stipulated in this legislation, under which foster parents must be given consideration with respect to becoming adoptive parents, do not pertain to dependent children of juvenile court cases, and since DSS handles only such dependent children of juvenile court cases, SB 2188 does not apply to DSS. SB 2188 was signed into law in 1990.

In November of 1992, the State issued a formal Notice of Non-compliance to the DSS for its failure to comply with State standards in connection with the Department's Foster Care Program. The State's issuance of this Notice of Non-compliance was directly attributable to the DSS's failure to provide the State, as requested, with an acceptable Corrective Action Plan, which addressed issues of non-compliance. Attachment I is a memo from Ms. Pat Reynolds, DSS Assistant General Manager of the Family and Children's Services Division which outlines (1) the areas in which the State found the Foster Care Program

to be out of compliance, (2) the process implemented by the DSS, in conjunction with the State, for the development of a Corrective Action Plan, (3) the implementation of the Corrective Action Plan and on-going monitoring and follow-up activities and (4) a response to an article in the March 3, 1994 issue of the San Francisco Chronicle that stated "State authorities have determined that San Francisco has the worst foster care system in California and have ordered a special team of investigators to examine its more than 3,600 cases.....".

According to Ms. Reynolds, this statement and others in the article are inaccurate and the DSS is not aware of any State report which characterizes its foster care system as the worst in the State. Attachment II is a copy of a press release prepared by Mr. Brian Cahill, General Manager of the DSS, which responds to the article in the San Francisco Chronicle.

Comments:

1. The DSS reports that it is the policy of the Department to provide each child with a home that best meets the child's needs. These needs must include the child's racial and ethnic identity, language, religion and cultural heritage of the child and geographic proximity. The DSS advises that first consideration for placement when a child cannot be maintained in the home of their parents, will be the home of a relative. Failing that, according to the DSS, placements shall be sought with foster and adoptive homes, foster family agencies and group homes in that order. Priority will be given to placements in San Francisco in accordance with AB 548 guidelines.

2. The DSS advises that the Placement and Administrative Review Committee (PARC), which meets weekly, is the administrative body responsible for reviewing all cases in which a child has been ordered into non-relative, out-of-home placement. The PARC's standing members include two Social Workers in charge of intake at the Emergency Shelter and identifying appropriate locations for placements respectively, a Child Welfare Supervisor responsible for licensing of foster care homes, a Senior Child Welfare Supervisor responsible for the Emergency Shelter Intake Unit and a Public Health Nurse. According to the DSS, cases are presented to PARC for review for both initial placement and for subsequent placements of a given child. The DSS advises that the purpose of PARC is to (1) provide an administrative review of all non-relative, out-of-home placements, (2) monitor utilization of placement resources, (3) assist in achieving proper ethnic matching of the children who are being placed and (4) recommend placement facilities. The DSS states that the information gathered by

PARC is used for planning and evaluation of trends and changing program needs.

3. Of the approximately 3,719 children currently in the DSS Foster Care Program the following table, provided by the DSS, outlines the percentage who are placed in San Francisco versus the percentage that are placed outside of San Francisco, by ethnic group:

	Number of Children	Percentage placed in San Francisco	Percentage placed out of County
African-American	2,641	60%	40%
Asian/Pacific Islander	89	69	31
Filipino	38	55	45
Hispanic	449	59	41
Native American	50	32	68
White	417	44	56
Other	35	31	69
Total	3,719	57% (average)	43% (average)

4. The following table, as provided by the DSS, outlines the percentage of the approximately 3,719 children currently in the DSS Foster Care Program who are placed with relatives (including relative legal guardians), inside or outside of San Francisco, by ethnic group:

	Percentage of all Children in the Foster Care Program Who are Placed with Relatives Inside or Outside of San Francisco
African-American	48%
Asian/Pacific Islander	28
Filipino	24
Hispanic	35
Native American	20
White	27
Other	31
Total Average	43%

5. The following table, as provided by the DSS, shows the percentage breakdown for the approximately 3,719 children currently in the DSS Foster Program who are in ethnically matched homes inside as well as outside of San Francisco:

	San Francisco	Out-of-County
African-American	95%	85%
Asian/Pacific Islander	50	67
Hispanic	70	68
Native American	25	60
White	76	83

City and County of San Francisco

Department of Social Services

Brian F. Cahill
General Manager

Assistant General Managers
Sally Kipper
Pat Reynolds
John R. Vera

To: Honorable Willie Kennedy, Chair, San Francisco County Board of Supervisors, Economic Vitality and Social Policy Committee

From: Pat Reynolds, Assistant General Manager, Family & Children's Services

Date: March 17, 1994

Re: Statement for March 22, 1994 Hearing on Compliance with Child Welfare Services Regulations

Background on Noncompliance

In five case reviews conducted between 1986 and 1991, the California Department of Social Services (CDSS) found that the San Francisco Department of Social Services (SFDSS) was below 90% compliance with specific child welfare services regulations. On September 16, 1992, CDSS directed SFDSS to submit a Corrective Action Plan (CAP). SFDSS submitted a plan on October 1, 1992. On November 18, 1992, CDSS informed SFDSS that the plan did not meet state requirements, and issued a Notice of Noncompliance (Document 1) which found the county out of compliance in:

1. Child Welfare Worker visits with children.

2. Child Welfare Worker contacts with parents.

3. Child Welfare Worker contacts with out-of-home care providers.

4. Timely completion of (re)assessments.

5. Parent's signature on service plans.

6. Timely court reviews.

7. Notice of court reviews. (The state later found the county to be in compliance on this issue and required no further corrective action).

8. Notice of initial detention hearing to children and parents.

9. Timely joint assessment of child's adoptability by Child Welfare Worker and Adoption Worker.

10. CHDP preventive medical and dental examinations at proper intervals.

Corrective Action Planning Process

The state and county proceeded to work together to develop a Corrective Action Plan which would meet state requirements. The two agencies agreed that visits and contacts and medical and dental examinations were the highest priorities. The county retained Deloitte and Touche, a management consulting firm, to assist in developing a Plan to Plan (April 1993), setting up Corrective Actions Teams, analyzing the reasons the county was out of compliance, and preparing Findings and Recommendations on actions the county should take to address the causes of noncompliance (May 1993). These efforts culminated in a Corrective Action Plan submitted to the state on July 1, 1993 and then revised at the state's direction. The revised CAP was finally approved by CDSS on August 24, 1993 (Document 2).

The CAP spells out actions which the county will take to address the causes of noncompliance, and sets goals for compliance to improve by a set percentage each quarter, resulting in full compliance by June 30, 1994 for all areas except medical and dental exams, for which the goal is compliance by December 31, 1994.

Implementation of Corrective Action Plan

Implementation of corrective actions was in progress even before the CAP was approved. The corrective action process coincided with the issuance of new child welfare regulations (Division 31). The Corrective Action Teams and Family and Children's Services management developed and implemented procedures to streamline agency and court processes, create "case plans" to assess the service needs of parents and children, educate Child Welfare Workers about regulatory requirements, ensure that children receive "well child" exams, and monitor monthly visits and contacts. The First Quarterly Report submitted to CDSS on October 22, 1993 (Document 3) demonstrated encouraging progress toward corrective action goals.

Supplemental Corrective Action Planning

The Second Quarterly Report (Document 4), submitted January 7, 1994, reflected a decline in compliance rates in the key areas of visits and contacts and medical exams (see Document 4, Tables 1-5, pages 6-8). Of particular concern was the decrease in compliance for social worker visits to children in the Long-term or Permanent Placement Program (LTP or PP), from 64% in the first quarter to 46% in the second quarter (Document 4, Table 1, page 6). The department immediately began to analyze the causes of the decline in PP and to implement supplemental corrective actions for this program (see Document 4, pages 3-4).

After reviewing the Second Quarterly Report, the state directed the county to provide additional analysis of the reasons for the decline. On February 2, 1994, the county submitted a Supplemental Report (Document 5). The report noted that:

o Three-fourths of the corrective actions planned to be completed by the end of 1993 were completed. All of the remaining actions due at that time were in progress, but were behind schedule due to various factors, including union grievances and the lengthy process of obtaining feedback from all parties whose input is essential for changes to succeed. (Document 5, p. 1-4 of Report attached to cover letter, and Work Plan/Deliverables, Attachment 1 to the Report.)

o The department is implementing a "culture change" so that all levels of staff and management are held accountable for complying with department procedures and state regulations. (p. 4-6).

o A special review of all PP cases pinpointed the reasons individual cases were out of compliance, and suggested that rates should improve after completion of training. (p. 6-8).

o Supplemental corrective actions for the PP program were in progress. (p. 9-10).

o A review of entire Family Reunification (FR) and Family Maintenance (FM) caseloads, similar to the PP review, would be undertaken immediately. (p. 11-12).

o Progress has been made but barriers remain in implementing the CHDP medical and dental exam program (p. 12-15).

On February 4, staff of the state, county and Youth Law Center met to discuss strategies for improving compliance. This resulted in a commitment to prepare individual work plans for Child Welfare Workers and Supervisors holding them accountable to meet specific compliance goals.

The department's Quality Assurance staff is now completing the FM and FR caseload review. Preliminary analysis indicates that, in many cases which were technically out of compliance as to "visits and contacts with parents", the Child Welfare Worker did visit or contact one or both parents (as well as the child) in the review month; in other words, compliance rates alone do not reflect all the work being done by Child Welfare Workers.

SFDSS will conduct its Third Quarterly review of compliance in early April, and will meet with CDSS and the Youth Law Center later in April to assess the department's progress. The department is confident that Third and Fourth Quarter results will reflect the substantial efforts being made in the Family and Children's Services Division.

Press Reports

On March 3, 1994, the San Francisco Chronicle reported that "State authorities have determined that San Francisco has the worst foster care system in California and have ordered a special team of investigators to

examine its more than 3,600 cases...." (Document 6, first page). This statement and others in the article are inaccurate, as SFDSS General Manager Brian Cahill explained in a press release (Document 7). The department is not aware of any state report which characterizes its foster care system as the worst in the state. The "team of investigators" was in fact a group of state auditors who were here at the county's request to assist in the FR/FM caseload review initiated by SFDSS (Document 7, second page). Finally, the Chronicle misquoted Mr. Cahill as saying that there was a history of racial insensitivity in the department; what he actually said was that there is a perception of racial insensitivity which the department is working to address (Document 7, second page). As Mr. Cahill noted, the article did not fairly reflect the department's hard work to comply with state requirements and to serve families and children.

City and County of San Francisco

Department of Social Services

Brian F. Cahill
General Manager

Assistant General Managers
Sally Kipper
Pat Reynolds
John R. Vera

March 3, 1994

Press Statement/
Immediate

Contact: Shirley Burns
(415) 557-6541

BRIAN CAHILL RESPONSE TO ARTICLE ON FOSTER CARE
Brian Cahill's Statement to the Press

I am responding today to an article in this morning's edition of the San Francisco Chronicle which characterized the department as having the worst foster care system in the state. Since 1986 there have been some serious problems in our Family and Childrens' Services Division. They relate to how we manage our child welfare and foster care program.

Portions of the article are inaccurate and historically out of date. A notice of non-compliance was issued by the state in November of 1992 and a Corrective Action Plan was approved by the state in the summer of 1993. That plan is currently being implemented and the article as written is a disservice to the work being done to bring the agency into compliance.

The claim that the state is initiating a probe of 3600 cases is false. The department has a newly formed Quality Assurance unit and the state is providing their staff to assist with our review of approximately 2,000 cases.

The reports covering the period of 1981 through 1987 were well documented at that time. A report was prepared by state staff, never finalized, and came to light when the Chronicle raised it. It was delivered to us in April of 1993.

Youth Law Center is a vigilant monitor of agency progress and the department is working jointly with them toward the same goals. In addition to bringing new leadership to the division, numerous efforts are underway to bring us into compliance including systems of accountability at each level of the organization, and training.

The majority of staff are making extraordinary efforts to achieve compliance and deserve acknowledgement for this. The

caseload review system enables SFDSS to address any staff who are having problems achieving compliance. The few staff who are not regularly visiting children are being held accountable. There are other staff who are visiting their children but not necessarily documenting their activities.

The article misquotes me as saying that there is a history of racial insensitivity in the department. What I in fact said, and believe, is that there is a strong perception on the part of communities of color of racial insensitivity in the department. I am not accusing my staff of racial insensitivity nor do I believe that is the case. We are committed to improving our relationships with the communities of color and one of the most important ways we can address that is with forceful efforts to reduce the disproportionate number of African/American children in foster care.

Charges were made in relation to the recent death of a Laotian child that the agency is culturally insensitive. These charges are "off base", in fact the charges in the case were so serious that cultural differences were not an issue.

I have high praise for Pat Reynolds, Assistant General Manager for Family and Childrens' Services, and the work of her staff. The agency is moving toward developing a stronger system of family support and family preservation and is involving community representatives in a meaningful way in each key decision being made.

Item 3 - File 7-94-2

Item: Resolution urging the Mayor to urge the Public Utilities Commission (PUC) to request the Municipal Railway to opt into the 800 megahertz communication system.

Description: In November of 1993, the electorate approved Proposition H which authorized the City to enter into a lease financing arrangement of up to $50 million with the City and County of San Francisco Finance Corporation, a non-profit corporation, to acquire an integrated radio communications system to be used by several City departments, including the Police Department, the Fire Department, the Department of Parking and Traffic, and the Public Health Department.

The City has decided to purchase an 800 megahertz communication system under this lease financing arrangement to be used by the above listed City departments. The 800 megahertz communication system will integrate the radio communications of every City agency that uses a radio dispatch system except Muni. According to Mr. Dan McFarland of the Department of Electricity and Telecommunications, at the time the City developed lease financing estimates for the 800 megahertz communication system, the Department of Electricity and Telecommunications requested participation from all of the City departments that have radio dispatch and communication systems. Mr. McFarland advises that Muni was the only City department that declined to participate in the new communication system. As a result, the Department of Electricity and Telecommunications did not include Muni in its $50 million lease financing estimate for a new dispatch and communication system.

Mr. McFarland notes that if Muni were to now opt into the new 800 megahertz system as the proposed resolution urges, Muni would need to find a source of funding outside of the $50 million lease financing arrangement. Mr. McFarland estimates that to include Muni in the 800 megahertz communication system would cost an additional $10 million. However, according to Mr. McFarland, an analysis of Muni's current communication system would need to be conducted to determine the actual cost of Muni opting into the new integrated 800 megahertz system.

According to Mr. Dale Duncan of Muni, Muni decided not to participate in the integrated 800 megahertz communication system because Muni's current radio dispatch system should be able to provide adequate radio dispatching capabilities for the next ten years with only minor adjustments to be needed

in three years. In addition, participating in the 800 megahertz system with the other City departments would cost Muni approximately $10 million, to be repaid at a rate of approximately $1 million a year for ten years. Mr. Duncan reports that Muni does not believe participating in the 800 megahertz system is in the best interests of Muni, given the cost of participating in such a system and the relatively good condition of Muni's existing radio dispatch system.

Comments:

1. Mr. Jonathon Miller of Muni reports that the Federal Communications Commission (FCC) has proposed a new rule which would require Muni to modify its existing radio dispatch system by 1996 and which would require Muni to replace its entire radio dispatch system by 2004, or in ten years. Mr. Miller reports that Muni's radio system will be fully functional through at least 1996 and because communications technology is constantly improving, Muni would rather wait to replace its existing system, then opt into the Citywide 800 megahertz communication system at this time.

2. Further, Mr. Miller reports that when Muni replaces its radio dispatch system, Muni will apply to the Federal Transit Administration (FTA) for grant monies to fund the new system. Mr. Miller advises that the FTA requires local transportation departments, such as Muni, to use FTA grant funds in accordance with Federal procurement procedures. Ms. Gail Bloom of the PUC reports that these procedures differ somewhat from the City's procurement procedures (for example, the City's MBE/WBE contracting requirements are different from the Federal government's Disadvantaged Business Enterprise (DBE) contracting requirements). Thus, Muni could not use FTA grant monies to fund its participation in the Citywide 800 megahertz communication system.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 4 - File 188-94-2

Departments: Recreation and Park Department.
Water Department.
Department of Public Works (DPW).
Department of Public Health.

Item: Hearing to consider the options regarding the water levels at Lake Merced.

Description: According to the May, 1993 study conducted by Geo/Resource Consultants, Inc. for the Water Department, Lake Merced has historically served a number of functions for the City. In the late 1800's, it was a source of municipal water supply. When lake water was replaced by other water sources in 1910, its primary use was relegated to emergency water supply. The Lake has also been used, and is currently used, as a source of irrigation water and for recreational purposes.

In 1950, the management of Lake Merced and its surrounding lands was granted for recreation to the Recreation and Park Department by the San Francisco Public Utilities Commission with certain restrictions. However, the ultimate responsibility for Lake Merced rests with the Water Department.

According to the Water Department, water levels gradually began to decline in the mid-1900's. However, since 1985, the decline has been more precipitous. For comparative purposes, the all-time recorded high water level was 30 feet in 1912. The most recent reported measurement, taken in March, 1994, was 13.4 feet, which actually represents a drop of approximately 5 feet in the last year. This is the lowest recorded water level ever at Lake Merced.

The Geo/Resource study concluded that a lake level of 26 feet would generally satisfy most recommended uses. However, the Water Department, the Recreation and Park Department, and the Department of Public Health will need to establish water usage priorities for Lake Merced before determining the desired level of water for Lake Merced.

According to the Water Department, the primary reason for the declining water level in Lake Merced is that the underlying aquifer that feeds it is being over-drawn. This underground water supply serves as a source for numerous wells which are owned by San Francisco, Daly City, San Bruno, and the California Water Service Company (which supplies South San Francisco). The wells provide water for both municipal purposes (domestic/commercial/industrial) as well as irrigation

purposes, such as watering lawns at private golf courses and cemeteries.

The Water Department, in conjunction with Geo/Resource, have identified a number of alternative solutions. The alternative solutions include:

1. Adding water from outside sources (e.g. Hetch Hetchy).

2. Increasing stormwater inflow.

3. Replacing groundwater that is being pumped, primarily for purposes of irrigation at private golf courses and cemeteries, with reclaimed water.

4. Developing a nearby reclaimed water injection mound designed to reduce groundwater outflow to the ocean.

5. Developing a joint aquifer management plan with Daly City and other users that might include having San Francisco provide all surface water to Daly City and other municipal utilities in wet years, but allowing them to rely entirely on groundwater in dry years.

Comments:

1. The Water Department has begun meeting with the major aquifer pumpers (e.g. Daly City, San Bruno, California Water Service Company) to begin efforts toward developing a groundwater management plan. These efforts may involve some or all of the alternatives discussed above. Completion of this plan will take additional study and will involve several years of negotiation.

2. At this time, the Water Department, in conjunction with other municipal and private users, has not determined the cost of these alternatives.

3. The DPW and the Water Department are currently preparing an Environmental Impact Report (EIR) and facility plan pertaining to reclaimed water and groundwater usage. The EIR and facility plan are to be completed by December, 1995.

Item 6 - File 7-94-5

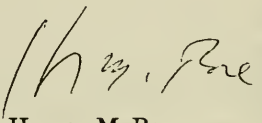
1. This is a hearing to consider whether part-time bus drivers currently employed by the Municipal Railway (MUNI) can be given preference during recruitment for full-time employment.

2. According to Ms. Kathleen Kelly of the Public Utilities Commission (PUC), up until 1990, part-time bus drivers were hired through Temporary Civil Service announcements (requires an oral and written exam), which meant that these part-time bus drivers had Civil Service status. Under this arrangement, when MUNI needed new full-time bus drivers, MUNI would release a promotional announcement whereby part-time bus drivers, as existing Civil Servants, would be given an opportunity to promote to full-time employment, according to Ms. Kelly.

3. However, Ms. Kelly advises that under this arrangement in which MUNI filled full-time positions by promoting existing part-time drivers, many individuals who were interested in full-time bus driver positions could not be considered because they could not afford to go through the process of working on a part-time basis prior to gaining a full-time position. Thus in 1990, the PUC Personnel Bureau developed a full-time only list (requires an oral and written exam) and a separate part-time provisional list (requires an oral exam) for hiring new bus drivers. Under this arrangement, an individual may apply for employment to be included on one or both of these lists. However, an individual hired from the part-time provisional list does not receive Civil Service status and there are no opportunities for full-time employment. Therefore, in order for part-time bus drivers to attain full-time bus driver positions, they must be part of, and hired from, the full-time eligible list.

4. According to Ms. Kelly, many of the approximately 180 existing part-time bus drivers (who were hired from the part-time provisional list but are interested in full-time positions) are upset that individuals with no experience are being hired for full-time positions because they are at the top of the full-time only eligible lists, instead of existing part-time drivers with experience. Thus, on March 4, 1994, the PUC reached an agreement with the Transit Workers Union-Local 250-A to allow all of the 180 part-time bus drivers to participate in an oral exam (the written test would be waived based on the fact that the written test is designed to measure skills that have already been demonstrated by the part-time drivers through their driving experience) to gain Civil Service status. The individuals who pass the exam and achieve Civil Service status could then be given an opportunity through a promotional announcement, to be promoted to full-time positions. Ms. Kelly advises that prior to the promotional announcement, the PUC will meet with the Transit Workers Union-Local 250-A to resolve the outstanding issues concerning how to handle the status of individuals who are not currently working as part-time bus drivers but whose names are still on the full-time eligible list.

5. Ms. Kelly advises that in the future, part-time bus drivers will be hired from Temporary Civil Service announcements and will have Civil Service status. However, as stated previously, the PUC and Transit Workers Union-Local 250-A have yet to determine how to handle the current full-time eligible list. Whether MUNI will hire for full-time positions by promoting existing part-time drivers, or by maintaining the full-time eligible list, or a combination of both, has yet to be determined.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

938
/93

CALENDAR
REGULAR MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
MAR 22 1993
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY, March 23, 1993 - 2:00 p.m. City Hall, Room 228

Members: Supervisors Kennedy, Kaufman, Achtenberg

Clerk: Joni Blanchard

1. File 224-92-2. Hearing to consider the problems faced by small businesses in complying with zoning and building code requirements and how this affects the viability of retaining small businesses in San Francisco's neighborhood commercial districts. (Supervisor Alioto)

   ACTION:

2. File 196-93-1. [Enterprise Zone] Resolution approving the adding of 895 acres, principally in the vicinity of the Central Waterfront, to the City and County of San Francisco Enterprise Zone. (Supervisor Bierman)

   ACTION:

3. File 12-93-7. Hearing to consider supporting SB 153 which would establish a Bay Area Regional Commission by merging the association of Bay Area Governments, the Bay Area Air Quality Management District and the Metropolitan Transportation Commission. (Supervisor Maher)

   ACTION:

4. File 217-92-12. Hearing to consider San Francisco's urban environment, including the progress in implementing the litter abatement program adopted by the Board of Supervisors, proposals to reduce graffiti, and the status of urban forestry in San Francisco. (Supervisor Shelley)

   ACTION:

onomic Vitality & Social Policy Committee
ard of Supervisors
ty Hall, Room 235
n Francisco, CA 94102

ORTANT HEARING NOTICE!!!

SF Public Library (2)
Document Section

D 0152



City Report

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 19, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: March 23, 1993 Economic Vitality and Social Policy Committee Meeting

Item 2 - File 196-93-1

Department: Mayor's Office of Economic Planning and Development

Item: Resolution approving the addition of 895 acres, principally in the vicinity of the Central Waterfront, to the City and County of San Francisco Enterprise Zone.

Description: San Francisco was designated as a State Enterprise Zone on May 28, 1992 by the California Department of Commerce pursuant to California Government Code Section 7073. The Mayor's Office of Economic Planning and Development (MOEPD) reports that Enterprise Zones are programs designed to encourage job creation and assist business development and expansion in the City. The Government Code allows each California-designated Enterprise Zone area to be expanded by an aggregate amount not to exceed 15 percent of the geographic area within the boundaries of the Enterprise Zone. The San Francisco Enterprise Zone encompasses an area of 6,357 acres. According to the Government Code, the San Francisco Enterprise Zone could be expanded by an amount not to exceed 954 acres (6,357 acres x 15 percent). The proposed addition of 895 acres is within this limitation of the Government Code.

The MOEPD reports that the proposed expansion would extend Enterprise Zone tax credits, regulatory relief, and other "business-friendly" benefits to an additional 895 acre area, principally in the vicinity of the Central Waterfront area where the City has a relatively large amount of vacant land zoned for light industrial uses (see Attachment). The MOEPD advises that the extended Enterprise Zone also includes several other locations which were added primarily because they contain industries that MOEPD considers important to the City's overall economy (i.e. printing and garment manufacturers).

Comments:

1. The MOEPD reports that there are a wide variety of Enterprise Zone benefits and incentives available to eligible businesses. Ms. Gail Goldman of the MOEPD reports that the City has created Hiring Tax Credits (applied against the City's Payroll and Gross Receipts Tax) for businesses located in the Enterprise Zone that hire individuals meeting specific qualifications. The MOEPD advises that businesses which 1) maintain a fixed place of business within the San Francisco Enterprise Zone, 2) create one or more new jobs within the Enterprise Zone, and 3) hire economically disadvantaged employees are qualified for Enterprise Zone Hiring Tax Credits. Employees to be hired must have participated in one of the following programs: Job Training Partnership Act (JTPA), Greater Avenues for Independence (GAIN), Targeted Jobs Tax Credit program (TJTC), General Assistance Training and Employment Services program (GATES) or General Assistance (GA).

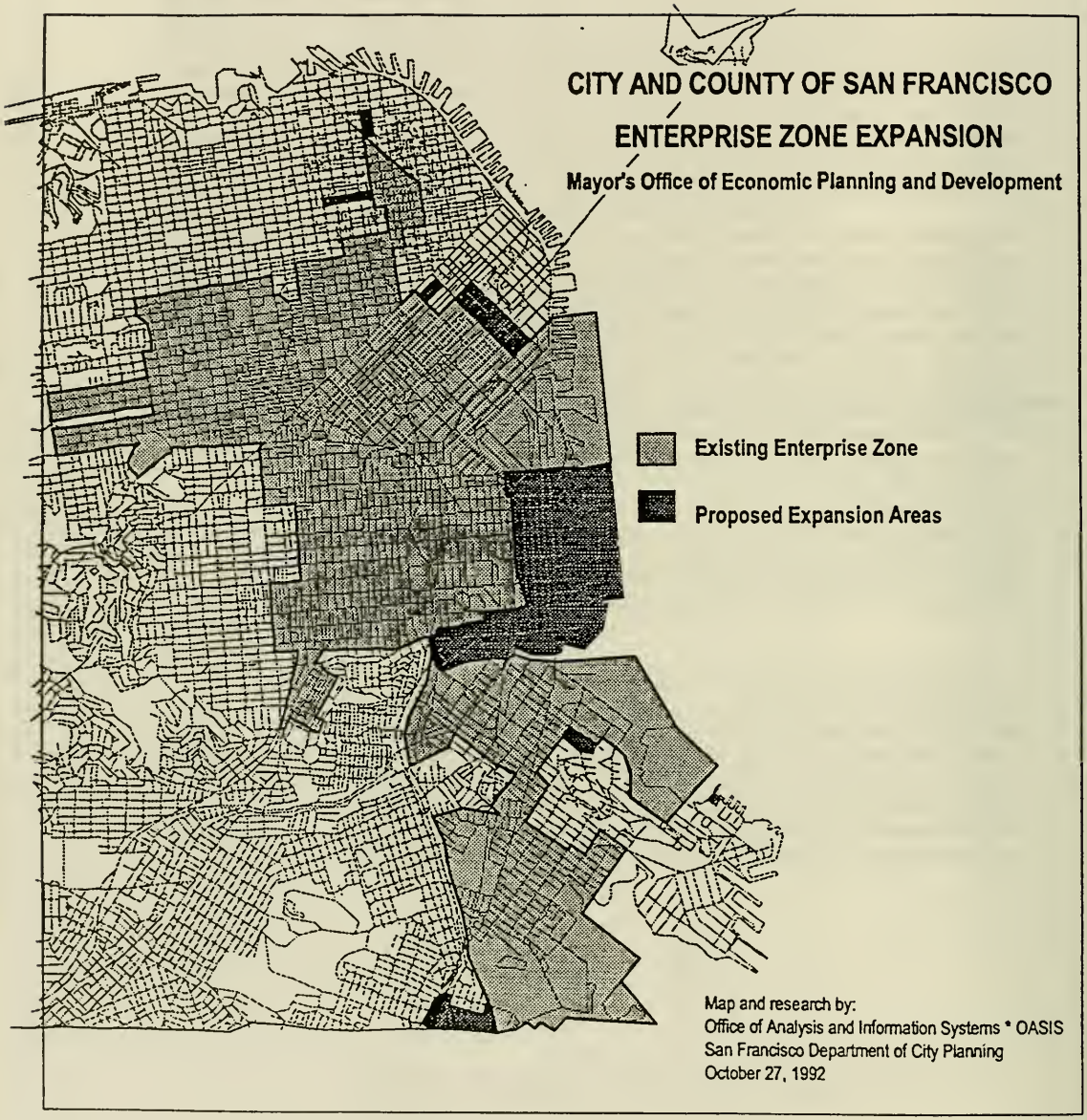
2. Ms. Goldman reports that for each qualified employee, a business within the Enterprise Zone may receive a Payroll or Gross Receipts Tax credit of up to 50 percent of tax due on wages paid for work performed within the Enterprise Zone. The amount of tax credit, according to Ms. Goldman, depends on the length of time qualified individuals are employed by the respective business. Ms. Goldman advises that the percent of wage exemption for each eligible employee is determined as follows:

First 12 months	50%
Second 12 months	40%
Third 12 months	30%
Fourth 12 months	20%
Fifth 12 months	10%

The employer pays the full Payroll or Gross Receipts Tax for each employee after the fifth year of employment.

3. Mr. Richard Sullivan of the Tax Collector's Office reports that it is not yet possible to determine the extent to which the local hiring tax credit is being utilized because the Enterprise Zone was established less than one year ago. However, Mr. Sullivan advises that usage rates are estimated to be low based upon the level of existing businesses with qualified employees within the current and proposed Enterprise Zone. Mr. Sullivan advises that the Tax Collector's Office would absorb costs of administering the local hiring tax credit under the Enterprise Zone program. Mr. Sullivan states that given the low estimate of firms that will take advantage of the tax credit, the Tax Collector's Office should be able to absorb the additional administrative costs resulting from the proposed increase in the geographical size of the Enterprise Zone. Mr. Sullivan advises, however, that if more businesses respond to the Enterprise Zone program, the Tax Collector may be in need of additional funds to cover administrative costs.

Recommendation: Approval of the proposed resolution is a policy decision for the Board of Supervisors.


CITY AND COUNTY OF SAN FRANCISCO
ENTERPRISE ZONE EXPANSION
Mayor's Office of Economic Planning and Development
Existing Enterprise Zone
Proposed Expansion Areas
Map and research by:
Office of Analysis and Information Systems * OASIS
San Francisco Department of City Planning
October 27, 1992

Item 4 - File 217-92-12

1. This item is a hearing to consider San Francisco's urban environment, including the progress in implementing the litter abatement program, adopted by the Board of Supervisors, proposals to reduce graffiti, and the status of urban forestry in San Francisco.

2. The litter abatement program includes ten resolutions approved in June, 1992 urging the Mayor, the Chief Administrative Officer, Municipal Court, Police Department and Department of Public Works to implement various programs and measures to reduce the problems of litter.

3. Four resolutions (Resolution Nos. 438-92, 456-92, 459-92 and 462-92) require actions by the Department of Public Works to increase the frequency of mechanical street sweeping in designated downtown areas (Resolution No. 438-92), implement cleaning of the United Nations Plaza and Hallidie Plaza on weekends and holidays (Resolution No. 456-92), increase the number of litter receptacles on City streets and examine the possibility of related private sector funding (Resolution No. 459-92) and direct clean-up to reduce litter in neighborhoods that are most affected (Resolution No. 462-92).

4. Mr. John Roumbanis of the DPW's Bureau of Street Cleaning and Urban Forestry reports that, over the last six to eight months, mechanical street sweeping (Resolution No. 438-92) has been expanded from two days to seven day per week on heavily used commercial streets as follows;

- Mission Street - Embarcadero to San Mateo County Line;
- Third Street - Market Street to San Mateo County Line;
- Van Ness Avenue - Mission Street to Jefferson Street;
- Powell Street - Market Street to Sutter Street;
- Market Street - Embarcadero to Castro Street: and
- Sixth Street - Market Street to Brannan Street.

5. Mr. Roumbanis reports that plans are currently underway to expand the daily mechanical street sweeping program to the Fisherman's Wharf commercial area.

6. In regard to the cleaning of the United Nations Plaza and Hallidie Plaza on weekends and holidays (Resolution No. 456-92), Mr. Roumbanis reports that over the last eight months the DPW has expanded the coordination of the street cleaning workfare program into these plazas during Saturdays and has started a Sheriff Work Alternative Program (SWAP) to clean these plazas on Sundays. DPW coordination includes: (1) scheduling of work crews; (2) transportation of workers; (3) supervision of each ten workers by a 7215 Labor Supervisor I; and (4) disposal of debris collected by workers.

7. Mr. Roumbanis also reports that approximately 2,300 additional litter receptacles have been placed on the streets during the last several months (Resolution No. 459-92). Of this total, 300 monument type litter receptacles have been placed in various neighborhoods resulting from the implementation of the Public Space Improvement Program funded by the Community Development Block Grant (CDBG) Program. The remaining 2,000 litter receptacles have been placed outside local food outlet stores in compliance with Public Works Code 173, that requires such business to obtain, install and clean these receptacles on a daily basis.

8. Other DPW efforts to reduce litter in the City and neighborhood areas (Resolution No. 462-92) include (1) a major expansion of the work fare program which has tripled from five to 15 the number of crews working six days per week in designated neighborhoods and (2) the growing number of volunteers to 320 under DPW's Broom Brigade which has provided to private individuals and groups the supplies to clean up sidewalks and gutters at selected locations in the City.

9. Resolution No. 457-92 pertains to Section 23115 of the California Vehicle Code which requires vehicles transporting materials to be covered. Captain John Gleeson of the Police Department's Traffic Division advises that one Police Officer has been assigned to following-up on complaints dealing with vehicles spilling materials on streets and roadways. Fines under the California Vehicle Code for such spillage are currently set at $82. Captain Gleeson advises that he was not aware of any specific directive from the Chief of Police urging the Traffic Division to increase the current police patrols enforcing this section of the California Vehicle Code.

10. Two resolutions have urged the Municipal Court to increase minimum fines for (1) illegal parking at street locations during hours for street cleaning from $15 to $23 (Resolution No. 437-92) and (2) illegal dumping of refuse from $52 to $500 (Resolution No. 461-92). Mr. Gordon Park Li of the Municipal Court reports that the Municipal Court has increased the minimum fine for illegal parking at street locations during hours for street cleaning from $15 to $20 beginning July 1, 1992 and increased the minimum fine for illegal dumping of refuse from $52 to $76 beginning September 1, 1992.

11. Resolution No. 454-92 deals with the efforts of the Chief Administrative Officer (CAO) to institute a neighborhood outreach program. Ms. Kim Fowler of the CAO's Neighborhood Beautification Program reports that the current outreach program to inform eligible groups of the Neighborhood Beautification and Graffiti Clean-Up Fund has been implemented to encourage neighborhood organizations to apply for funding to purchase litter receptacles and steam-cleaning services. Ms. Fowler reports that clean-up funds are not only available for the purchase of litter receptacles and steam cleaners, but are also available for tree planting, hiring persons to clean up neighborhoods and graffiti removal. For 1992, a total of $309,149 was awarded to 22 projects for graffiti removal, ongoing clean-ups, trash receptacles, urban forestry and gardening and general beautification (see Attachment).

12. Resolution No. 455-92 directs the CAO to seek expansion of the City's existing Recycling Program. Ms. Marcia deVaughn of the CAO's Recycling Program advises that the CAO is still reviewing alternative proposals to develop a component within the City's Recycling Program that would provide reusable buckets to renters for the purpose of collecting and depositing recyclable materials in designated bins and containers located in residential rental property. Ms. deVaughn further advises that 80,000 apartment units in apartment buildings containing 6 or more units would receive a 14 gallon bucket for the collection of cans, bottles and newspapers to be deposited in existing 64 gallon bins on sites within the apartment complex. Ms. deVaughn estimates that the cost of the containers and their distribution to 80,000 apartment units would range from $211,000 to $383,000. Because of this cost, Ms. deVaughn advises that the CAO is currently considering a volunteer program in which apartment owners would pay for the cost of the buckets.

13 Resolution No. 458-92 urges the development of a coordinated public education campaign to curb litter by the CAO. Mr. Joe Johnson of Solid Water Management advises that such a proposal to develop a coordinated public education campaign which encourages merchants and residents to keep the streets clean and informs the public about anti-littering laws and penalties is also under review.

14. Mr. Morton Miller of the Mayor's Office advises that a consolidated City-wide program to reduce graffiti is continuing to be developed by the Mayor's Office. Currently separate major programs exist in the Department of Public Works (DPW), Municipal Railway and the Chief Administrative Officer.

15. According to Mr. Melvin Baker in the DPW's Bureau of Street Cleaning and Urban Forestry, two additional programs have been added to the Division of Urban Forestry during the current fiscal year. These include:

a. $100,000 for additional maintenance of existing trees in streets and other public areas, such as median islands, public stairways, unimproved public property and other non-park areas. In addition, the City would replace dead trees which have been removed from existing tree pits. A portion of these funds ($36,000) will be used in a contract with the Small Business Administration for tree replacement in commercial areas. Also $50,000 will be used for a tree maintenance contract for the Sheriff's Department. The remaining $14,000 will be used for DPW tree maintenance crews.

b. $300,000 for the planting of additional street trees on major thoroughfares throughout the City in conformance with the City's urban forestry plan. This plan calls for planting trees in new areas. The allocation includes funding for the purchase of four new watering trucks at $20,000 each.

16. During the current fiscal year, the Division of Urban Forestry is scheduled to: (1) perform pruning and tree maintenance on 6,030 street trees (30 percent of all City-maintained street trees); (2) perform annual tree service inspection and minor maintenance on 13,970 street trees (not receiving annual pruning); (3) perform scheduled landscape maintenance services on 2,520 acres and (4) prune 480 large trees planted within landscaped street areas and median strips.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Achtenberg
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

1992 GRANT AWARDS BY CATEGORY

A.	**Graffiti Removal**		
	Chinatown Youth Center	$12,000	Restoring graffiti-covered murals at the North Beach Housing Project
	East Mission Improvement Assn.	$ 10,000	Creating a mural with local youth to eradicate graffiti on the bandstand in La Raza Park
	Enterprise for High School Students	$ 26,000	Ongoing graffiti removal in the Excelsior District
	Eureka Valley Trails & Art Network	$ 6,500	Repairing graffiti-covered murals at the Eureka Valley Recreation Center
	509 Cultural Center	$ 12,000	Creating a mural with local youth to clean up graffiti-covered walls in the Tenderloin
	San Francisco Unified School District	$ 2,500	Painting a graffiti-covered wall at Rafael Weil School
	17th & Church Street Neighbors	$ 5,359	Removing and painting graffiti-covered walls at Mission High School
	San Francisco Women's Centers	$ 20,000	Painting out graffiti on the Women's Building
	Sub-Total	**$94,359 (31%)**	
B.	**Ongoing Clean-Ups**		
	Bayview Hunter's Point Foundation	$ 16,500	Neighborhood clean-ups performed by local youth
	Central YMCA	$ 15,000	Clean-ups and sidewalk steamcleaning performed by the Tenderloin Improvement Project
	Chinatown Alleyway Imprvemnt. Assn.	$ 8,000	Ongoing clean-ups of Chinatown alleyways assisted by local youth monitors, including sidewalk steamcleaning
	Friends of Recreation & Park	$ 9,000	A van for transporting tools to regular weekend clean-ups of San Francisco parks
	Hunter's Point Community Youth Park	$ 2,500	Clean-up and graffiti removal throughout the community facility
	Inner Sunset Merchants Assn.	$ 2,600	Weekly clean-ups in the Inner Sunset, including sidewalk steamcleaning
	19th St/Oakwood Neighbhd. Assn.	$ 7,500	Clean-ups and sidewalk steamcleaning
	San Francisco Clean City Coalition	$ 24,540	Ongoing clean-ups throughout San Francisco, including purchase of a steamcleaner
	San Francisco Conservation Corps	$ 33,000	15-20 clean-up projects around San Francisco performed by the Youth-in-Action program
	San Fran. Lgue. of Urban Gardeners	$ 30,000	Clean-up, light landscaping and maintenance of sites in Bayview and on San Jose Avenue
	Sub-Total	**$148,640 (48%)**	

C.	**Trash Receptacles**		
	Department of Public Works	$ 33,000	Trash receptacles throughout San Francisco and plastic trash cans for public events
	East & West of Castro Street	$ 2,650	9 trash receptacles
	Sub-Total	**$ 35,650 (12%)**	
D.	**Urban Forestry & Gardening**		
	Friends of the Urban Forest	$ 22,500	Tree plantings in the Dubocce Triangle, New Mission Terrace and Ocean-Merced-Ingleside
	Sub-Total	**$ 22,500 (7%)**	
E.	**General Beautification**		
	Greater Market St. Development Assn.	$ 8,000	Additional lighting for Halidae Plaza
	Sub-Total	**$ 8,000 (2%)**	
	TOTAL AWARDS	**$309,149 (100%)**	



SAN FRANCISCO NEIGHBORHOOD BEAUTIFICATION & GRAFFITI CLEAN-UP FUND
ROOM 289, CITY HALL
SAN FRANCISCO, CA 94102
(415) 554-7979

These grant awards are made possible by the over 1,000 San Francisco businesses that designate to the Neighborhood Beautification Fund

SF
390.238
#1
4/13/93

CALENDAR
REGULAR MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT
APR 12 1993
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY, April 13, 1993 - 2:00 p.m. City Hall, Room 228

Members: Supervisors Kennedy, Kaufman, Achtenberg

Clerk: Joni Blanchard

1. File 226-93-1. [School of Library and Information Studies] Resolution recommending continuation of the School of Library and Information Studies at the University of California, Berkeley, and recruitment of a new dean. (Public Library)

   ACTION:

2. File 121-93-3. Hearing to consider amending Police Code to exempt poetry reading from the criteria requiring an entertainment permit. (Supervisor Alioto)

   ACTION:

3. File 194-93-1. [Civil Rights Laws - Human Rights Ordinance] Resolution requesting the City Attorney to intervene as an amicus curiae in the case of Delaney vs Superior Fast Freight and memorializing the California Legislature to permit local governments to adopt civil rights laws. (Supervisor Kaufman)

   ACTION:

SPECIAL ORDER - 3:00 P.M.

4. File 216-93-1. Hearing to consider San Francisco's efforts to secure a suitable site for expansion of the University of California San Francisco. (Supervisors Migden, Hallinan, Alioto)

   ACTION:

NOTE: HOUSING & LAND USE COMMITTEE CALENDAR FOR 4/15/93 BEGINS ON NEXT PAGE.

F
90.
3
1/13/93
2

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 9, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: April 13, 1993 Economic Vitality and Social Policy Committee Meeting

Item 2 File 121-93-3

1. This item is a hearing to consider amending the Police Code to exempt poetry reading from the criteria requiring an entertainment permit.

2. Section 1060.1 of the Police Code, requires obtaining a permit from the Chief of Police to own, conduct, operate, maintain or to participate therein in any place of entertainment in the City and County of San Francisco. Section 1060 (a) defines "place of entertainment" as all premises to which patrons or members are admitted which serve food and/or beverages, including but not limited to alcoholic beverages, for consumption on the premises and where there is entertainment. The Police Code contains four separate sections which define entertainment, two of which include poetry reading as follows: (1) Section 1060 (b) defines "entertainment" as any act, play, review, pantomime, scene, song and/or dance act, or poetry recitation, which is conducted or participated in by any professional on premises to which patrons or members are admitted, and (2) Section 1060 (f) defines "informal entertainment" as any act, play, review, pantomime, scene, song and/or dance act, or poetry recitation conducted or participated in by any nonprofessional person or persons on premises to which patrons or members are admitted.

3. Sergeant Steve Tacchini of the Police Department's Permit Section reports that over the last seven years no entertainment permit has been issued for an entertainment establishment which provides poetry reading exclusively. According to Sergeant Tacchini, poetry reading, if it is provided at an entertainment establishment, is normally incorporated with other types of entertainment, such as jazz.

4. Sergeant Tacchini advises that the initial application fee for an entertainment permit is $638 and the annual permit fee is $196. According to Sergeant Tacchini, for this fiscal year, a total of 316 entertainment permits were renewed through March, 1993, for a total of $61,936 ($196 x 316) in permit revenue and in addition a total of 24 new entertainment permits were issued for a total of $20,016 ($638 x 24 plus $196 x 24) in permit revenue, bringing the total number of permits to 340 for a total revenue amount of $81,952. Based on historical experience, Sergeant Tacchini projects that the total annual revenue from entertainment permits for Fiscal Year 1992-93 will be approximately $86,869. The Tax Collector reports that a total of $80,354 in entertainment permit revenue was received by the City in Fiscal Year 1991-92.

Comment

Based on the fact that no entertainment permit has been issued exclusively for poetry reading over the past seven years, Sergeant Tacchini believes that the elimination of poetry reading from the criteria requiring an entertainment permit would not result in any change in the level of entertainment permit revenues received by the City.

Item 4 - File 216-93-1

1. This item is a hearing to consider the efforts of the City of San Francisco to secure a suitable site for expansion of the University of California San Francisco (UCSF).

2. UCSF is an internationally-recognized research institution and medical school. It is also San Francisco's largest employer after City government, with approximately 14,000 employees. A report prepared by the Mayor's Office of Economic Planning and Development (MOEPD) entitled "San Francisco and UCSF: Sustaining the Partnership" states that UCSF biotechnology researchers provide San Francisco with its principal link to the biotechnology industry, which the report predicts will drive the Bay Area economy for the next 25 years.

3. Ms. Eila Arbuckle, of MOEPD, states that the UCSF needs 150,000 square feet of new laboratory space immediately, and anticipates a need for an additional 3.5 million square feet of expansion space over the next 10 to 15 years. A faculty committee has recommended that the university develop a second campus that will be able to accommodate the 3.5 million square foot long-term expansion in one location, rather than in scattered sites around the Bay Area. Ms. Arbuckle reports that UCSF is considering the Harbor Bay area in the City of Alameda and two sites on the Peninsula as alternatives to San Francisco expansion options.

4. The Mayor's Office reports that UCSF hopes to identify a site for a new campus by the fall of 1993. UCSF will then prepare an environmental impact report (EIR) on the site, and submit the EIR to the University of California Board of Regents for approval in the fall of 1994.

5. Mr. Kent Sims, Director of MOEPD, is the Mayor's liaison to UCSF and chairs a UCSF Task Force that provides a liaison between the City and UCSF. The UCSF Task Force meets approximately twice a month, and includes representatives from the Mayor's Office and UCSF, as well as staff from other City departments and/or representatives of the San Francisco business community as needed.

6. The Mayor has recently established the Blue Ribbon Committee to Support Retention of UCSF. All elected officials in San Francisco including the Board of Supervisors were invited to participate on the Blue Ribbon Committee. Representatives of several elected officials met for the first time on March 8, 1993. Ms. Arbuckle reports that the purpose of the Committee is to share information regarding the needs and plans of UCSF, and keep public officials informed of the City's efforts to meet the expansion needs of UCSF in San Francisco.

7. The UCSF Task Force has identified four potential sites in San Francisco for additional laboratory space in the next few years. The sites are:

- UCSF's Mission Center, located in the south half of the block bounded by Folsom, 15th, Harrison and 14th Streets. Ms. Arbuckle states that an

existing UCSF building at the UCSF Mission Center could be built out to provide approximately 200,000 square feet of additional laboratory space.

- Portions of Mission Bay that are zoned M1 and M2 which could be separated from the project area to develop laboratory buildings.

- The Presidio/Letterman Army Institute for Research (LAIR). Ms. Arbuckle reports that the MOEPD supports a proposal by UCSF and UC Davis for an international environmental center in the Presidio, which could potentially accommodate some of UCSF's biotech research.

- Development at San Francisco General Hospital (SFGH) could accommodate clinical and laboratory space for UCSF. This development would be aided by completion of a planned parking garage across the street (completion is expected in 1995).

Ms. Arbuckle reports that UCSF administrators have not indicated when they will decide as to whether to meet their immediate space needs in San Francisco or in other Bay Area locations.

8. The UCSF Task Force has also identified five opportunities for meeting UCSF's long-range plan to create a new campus with 3.5 million square feet of space. The sites include further development of some of the immediate expansion proposals listed above. They are:

- Several blocks of vacant industrial buildings surrounding the UCSF Mission Center at 15th and Folsom Streets. Ms. Arbuckle reports that staff from MOEPD are working with the Planning Department to create a Northeast Mission Industrial Zone to preserve the area for industrial uses including the potential development of a second campus for UCSF, commercial biotechnology and other industrial activity.

- Mission Bay could provide up to 2 million square feet of facilities for UCSF.

- Development of a second campus at the site of the former Hunters Point Naval Shipyard. The first 55 acres of the site will come under City jurisdiction in late 1993, but the remaining 435 acres will not be under City control for 10 to 15 years, depending upon negotiations with the Navy. However, MOEPD believes that because of the length of time that will be required to cleanup toxic materials, the Hunters Point Naval Shipyard is unlikely to be UCSF's choice for a second campus.

- Further development of the SFGH campus as well as moving SFGH administrative functions off campus so that administrative space could be converted to laboratory space for UCSF.

9. In addition to the plans for a second campus, UCSF is creating a Comprehensive Cancer Care Center for UCSF at its Mt. Zion campus. This project involves construction of a new research and animal care facility in the

block bounded by Sutter, Divisadero, Bush and Scott Streets, as well as other construction and renovation projects designed to expand clinical care at the Mt. Zion campus.

10. Ms. Arbuckle indicates that Mr. Ron Blatman, Director of Business Development for MOEPD, has been assigned to provide real estate expertise to UCSF as needed.

Comment

According to Ms. Arbuckle, the MOEPD has not incurred any direct expenses other than incidental staff time in identifying alternative sites for UCSF. Ms. Arbuckle states that the MOEPD has no plans at this time to contribute land, construction funding or any other City resources to the UCSF relocation effort.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Achtenberg
Supervisor Shelley
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

City Report

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 23, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: April 27, 1993 Economic Vitality and Social Policy Committee Meeting

Item 4 - File 174-92-4

Item: Resolution creating a task force, appointed by the Board of Supervisors, that will study and make recommendations regarding ways of increasing the participation of disadvantaged local minority and women-owned businesses in projects financed by City bond funds.

Description: The proposed resolution would establish the City Bond Finance Project Task Force to study and recommend ways of promoting and ensuring the participation of local minority and women-owned businesses in projects financed by City bond funds.

The City Bond Finance Project Task Force would consist of 11 members. Each Supervisor would appoint one Task Force member.

Chapter 12B of the San Francisco Administrative Code contains non-discrimination provisions relating to City contracts and Chapter 12D of the Administrative Code provides for the participation of minority and women owned businesses in the City's procurement process.

Despite the provisions of Chapters 12B and 12D of the Administrative Code, the proposed resolution states that the Board of Supervisors found that the City has awarded contracts to minority and women owned businesses in amounts that do not reflect their proportionate share of the relevant industry. The Board of Supervisors have attributed the underutilization of minority and women owned businesses to the City's discriminatory procurement practices and to private sector discrimination against minority and women owned businesses.

Consistent with Chapters 12B and 12D of the Administrative Code, the proposed resolution would establish a task force to find ways to increase the participation of local minority and women owned businesses in contracts financed by City bond funds.

Comments:

1. The proposed resolution does not provide for any compensation of Task Force members.

2. The proposed resolution was introduced in September 1992 and includes a provision that the Task Force shall submit their written report to the Board of Supervisors by December 4, 1992 or a period of approximately three months from inception of the Task Force. Therefore, the proposed resolution should be amended by changing the written report due date from December 4, 1992 to August 15, 1993 to allow approximately three months from inception to report due date.

Recommendation:

1. Amend the proposed resolution to change the written report due date from December 4, 1992 to August 15, 1993.

2. Approval of the proposed resolution as amended, is a policy matter for the Board of Supervisors.

Memo to Economic Vitality and Social Policy Committee
April 27, 1993 Economic Vitality and Social Policy Committee Meeting

Item 7 - File 174-93-2

Item: Resolution establishing a Task Force on Local Employment Opportunities to examine and report upon the crises in employment opportunities facing San Francisco, particularly for residents under 25 years of age, and to submit a report of its findings and recommendations to the Board of Supervisors by November 5, 1993.

Description: The proposed resolution would establish the Task Force on Local Employment Opportunities to investigate the crises in employment opportunities for San Francisco, particularly for residents under 25 years of age. The Task Force would consist of 18 members appointed by the following City officials:

President of the Board of Supervisors	7
Mayor	5
Chief Administrative Officer	1
Human Rights Commission	5
Total	18

The Task Force on Local Employment Opportunities would submit a written report by November 5, 1993 containing findings and specific recommendations for improvements in high school education, vocational training, and community college programs. The Task Force's recommendations would also specify ways to espouse partnerships between business and labor and to impel local entrepreneurial activity.

The task force will terminate no later than November 30, 1993 unless the Board of Supervisors extends it by resolution.

The members of the Task Force would not be compensated, nor reimbursed for expenses. The proposed resolution provides that the Task Force would receive clerical and technical assistance from the City. However, the proposed resolution does not specify which City departments would be responsible for providing the clerical and technical assistance.

Recommendation: Approval of the proposed resolution to establish a Task Force on Local Employment Opportunities is a policy matter for the Board of Supervisors.

Item 8 - File 174-93-3

Department: Mayor's Office of Economic Planning and Development (MOEPD)

Item: This item is a hearing to consider the endorsement of plans to bring the United Nations Commission on Sustainable Development to San Francisco and ask the Mayor to consider establishment of a Task Force or Committee of civic leaders to present the City's case to the United Nations and United States government officials.

Description: The United Nations Commission on Sustainable Development (Commission) was formed as a result of last year's Rio de Janeiro Earth Summit. The Commission will be comprised of representatives from 53 countries and is intended to provide international efforts to identify new, environmentally safe methods of industrial development such as renewable resource systems and non-polluting manufacturing systems. The Commission will meet once a year. According to Mr. Kent Sims of the MOEPD, currently New York is the location designated to "house" the Commission.

The MOEPD supports efforts to bring the Commission to San Francisco rather than to New York. Mr. Sims reports that San Francisco currently is not a "home" to any international governing bodies even though significant international events have occurred in San Francisco such as the signing of the United Nations (U.N.) Charter at the San Francisco War Memorial Opera House. Mr. Sims advises that San Francisco should strongly urge Federal and U.N. officials to bring the Commission to San Francisco and for the Commission to be located at the Presidio.

Mr. Sims states that the benefits to establishing the Commission in San Francisco are 1) a U.N. presence would create an international awareness and image associated with San Francisco, 2) employment opportunities, 3) additional tourism, and 4) the international and environmental focus of the Commission is synonymous with the focus proposed for the Presidio as part of the Golden Gate National Recreation Area.

Mr. Sims reports that a local Task Force or Committee should be established to promote the location of the Commission in San Francisco. Mr. Sims advises that the Task Force or Committee should be established by the Mayor and approved by the Board of Supervisors. Mr. Sims advises that this Task Force or Committee would demonstrate broad-based

community support for bringing the Commission to San Francisco. According to Mr. Sims, the group should be comprised of local civil, business and environmental leaders. The group would 1) contact congressional representatives to lobby support for the effort, 2) insure that the City's planning process for the Presidio locale is accommodative and supportive of the effort, 3) attempt to remove local obstacles that might arise in bringing the Commission to San Francisco, and 4) conduct letter-writing campaigns to Federal and International governmental officials. Mr. Sims reports that the members of the Task Force or Committee would not be compensated. According to Mr. Sims, if operational costs should arise from the Task Force or Committee and its functions, private contributions rather than public funds would be sought to compensate for them.

Comment: On April 19, 1993, the Board of Supervisors adopted a resolution (File 13-93-15) to support efforts to persuade the United Nations to locate the Commission on Sustainable Development in San Francisco and urging the Mayor to establish and appoint an advocacy committee (non-compensated) to present the case for San Francisco to the President and other U.S. officials.

Items 9 and 10 - Files 127-93-2 and 127-93-3

Item: Ordinance amending Part III of the Municipal Code to add credits for newly created jobs to offset business tax and payroll expense tax liabilities (File 127-93-2).

Ordinance amending Section 906A of Article 12A of Part III of the San Francisco Municipal Code (Payroll Expense Tax Ordinance) by increasing tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government job programs; and amending Section 1005.5 of Article 12-B of Part III of the San Francisco Municipal Code (Business (Gross Receipts) Tax Ordinance) by increasing tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government jobs programs (File 127-93-3).

Description: File 127-93-2

The proposed ordinance (File 127-93-2) would add new provisions to the Municipal Code to create an exemption from certain business taxes for firms which create new jobs in San Francisco. The proposed ordinance is intended to provide an incentive for businesses to create jobs in San Francisco which otherwise would be located elsewhere, by exempting firms from the payment of business taxes on new jobs which are created in San Francisco.

Businesses currently pay the City either the payroll tax or the gross receipts tax, whichever results in a higher tax liability. The proposed ordinance would provide a business tax credit computed as the amount of payroll taxes which an employer would pay, in the absence of a tax credit, as a result of the new job. The amount of the tax credit for firms which pay the gross receipts tax would nonetheless be calculated on the basis of the payroll taxes which would result from the new position, as if the firm were paying payroll taxes. The tax credit would then be deducted from the firm's actual liability for the payment of payroll or gross receipts taxes.

During the first 12 months after a job is created, the tax credit would equal 100 percent of a firm's payroll tax liability for the new salary and wages. During the second 12 months after a job is created, the tax credit would equal 50 percent of a firm's payroll tax liability for the new salary and wages.

To ensure that the tax credit would not reduce employers' payroll tax liability for existing jobs, the proposed ordinance provides that no firm could pay less in business taxes after the tax credit than a baseline level, known as the "base year liability." The base year liability would be calculated as the employer's highest payroll tax liability, exclusive of tax credits, in any previous tax year since 1992. Under this provision of the proposed ordinance, the tax credit could only apply to the extent that salary and wages in a given tax year have increased over a baseline level established in a previous year.

File 127-93-3

The proposed ordinance (File 127-93-3) would amend existing provisions of the Administrative Code pertaining to business tax exemptions which are currently permitted for jobs which are created in the City's existing Enterprise Zone. In May, 1992, the California Department of Commerce designated 6,357 acres of property in San Francisco as an Enterprise Zone; this area was increased to a total of 7,952 acres in March, 1993. The Enterprise Zone consists approximately of the Mission, South of Market, Potrero Hill, Tenderloin, Chinatown, Western Addition, and Haight Ashbury neighborhoods, as well as the Mission Bay Project Area.

Businesses which create jobs in this Enterprise Zone are currently entitled to receive business tax credits, based on the amount of new salary and wages which are added, over a period of five years. The current exemption is calculated at 50 percent of payroll taxes arising from the new position in the first year after a job is created, 40 percent in the second year, 30 percent in the third year, 20 percent in the fourth year, and 10 percent in the fifth year.

The proposed ordinance would amend the schedule which is currently used to compute tax credits for jobs created within the Enterprise Zone (as described above), in order to make the schedule for tax credits within the Enterprise Zone identical, during the first two years of new employment, to the tax credit provisions of the companion proposed ordinance (File 127-93-2), for new jobs which are created throughout the City. In addition, this proposed ordinance would amend the amount of the tax credits for jobs which are created within the Enterprise Zone in the third through fifth years after the job is created (see Comment 11). Under the companion proposed ordinance for all jobs created in San Francisco, the tax credit would expire after two years.

Comments: **File 127-93-2**

1. The proposed ordinance (File 127-93-2) is intended to provide an incentive for employers to create jobs in San Francisco that they would not otherwise locate in San Francisco because of the business tax. However, the effect of the proposed ordinance would be to exempt from payroll taxes all new jobs which are created after the effective date of the ordinance, including some jobs which might be created even if there were no tax credit incentives. Therefore, it is probable that the City could experience some loss of business tax revenue in future years for jobs that would be created, and for which taxes would be paid, even if there were no tax credit.

This can be seen most easily in the following table, which reflects the effect on the City's business tax of different job creation and job loss scenarios, with and without the proposed tax credit:

Job Creation/Loss Scenario	Without tax credit	With tax credit
(1) Existing jobs which stay	Continued tax revenues	Continued tax revenues
(2) Existing jobs lost in the future	Decline in tax revenues	Decline in tax revenues
(3) Jobs coming to San Francisco without credit	New tax revenues	No tax revenues
(4) Jobs coming to San Francisco only with credit	No tax revenues	No tax revenues

This table reflects that, under the proposed ordinance, business taxes would not be affected for the City's existing jobs (scenarios (1) and (2)). The table also reflects that the City could not experience a loss of tax revenue from jobs that would only be created as a result of the tax credit (scenario (4)), since, if the City did not provide the tax credit, these jobs would not (by definition) be created in San Francisco. However, the City would experience a loss of business tax revenues for new positions which employers are expected to establish in San Francisco out of business necessity, whether or not a tax credit is established (scenario (3)).

2. According to the most recent projections of the Employment Development Department (EDD), total employment in San Francisco is projected to increase by 8,900 jobs from the 1990 level of 573,100 to an estimated 582,000 jobs by 1997. (A table showing EDD's projections is attached to this report.)

According to EDD, the gain of 8,900 jobs will result from the combined effect of the loss of 11,500 jobs in the mining, manufacturing, transportation, wholesale, finance, and government sectors, and the addition of 20,400 jobs in the retail and service sectors of the local economy. The Budget Analyst notes that the 11,500 lost jobs would fall into scenario (2) in the table shown above, since a net total of 11,500 jobs are expected to be lost and not replaced, according to EDD.

3. The City would experience a loss of existing tax revenues from the net total of 11,500 existing jobs which are expected to be eliminated and not replaced (scenario (2)). However, this loss of tax revenue would not be attributable to any of the provisions of the proposed ordinance. The Budget Analyst notes that, in theory, some employers may elect not to eliminate jobs if a business tax credit were enacted for existing jobs, but that, in fact, the proposed tax credit would not apply to existing jobs and therefore would not act as a deterrent to the loss of these jobs.

4. Of the 20,400 new jobs which are expected to be added to the service and retail sectors over 7 years between 1990 and 1997 (an average of 2,914 new jobs annually including 2,543 in the Service sector and 371 in the Retail sector), approximately 14,570 new jobs would result in business tax exemptions for employers over the five years (January 1, 1993 through December 31, 1997) that the proposed ordinance would remain in effect (2,914 new jobs annually x 5 years = 14,570 jobs). Thus, 14,570 jobs would fall under scenario (3) above, as jobs which are currently expected to be added even if no tax credits were granted.

Therefore, based on projections of the State EDD, by establishing a business tax credit based on all jobs which are created after January 1, 1993, the City would experience a loss of business tax revenues from an estimated 14,750 jobs which are expected to be created between 1993 and 1997 whether or not a tax credit is available.

5. The City's payroll tax is not computed on the basis of the full wage and salary costs of San Francisco businesses. Rather, the wage and salary costs which are attributable to a firm's business activities outside of San Francisco are deducted from a firm's total wage and salary costs before the payroll tax is computed. In addition, firms having total taxable payrolls less than $166,667 (resulting in a tax liability of $2,500 or less at the current payroll tax rate of 1.5 percent) are not liable for the payroll tax.

Therefore, an estimate of the foregone business tax revenues associated with 14,750 new jobs must incorporate these existing deductions and exemptions.

Mr. Richard Sullivan of the Tax Collector's Office states that the exact amount of the salaries and wages which are attributable to business activities conducted outside of San Francisco, and which therefore cannot be taxed, cannot be estimated with precision. However Mr. Sullivan has estimated that approximately 20 percent of total wages and salaries paid in San Francisco are allocated to business activities which occur outside of the City and are not taxed. In addition, Mr. Sullivan reports that, in 1991, approximately 92.7 percent of total taxable payroll in the Service sector resulted in employers' liability for business tax, while the remaining 7.3 percent was exempt from business taxes under the small business exemption, and was not taxed. Similarly, approximately 87 percent of total taxable payroll in the Retail sector resulted in employers' liability for business tax, while the remaining 13 percent was exempt from business taxes under the small business exemption, and was not taxed.

6. According to EDD, the average annual salary in the Service sector of the local economy in 1991 was $29,207. Based on 2,543 new Service sector jobs which EDD projects will be added annually through 1997 (without the business tax credit), the Budget Analyst estimates that total new wages and salaries in the Service sector will be $74,273,401 on an average annual basis through 1997.

If 20 percent of the total new wages and salaries are allocated to business activities outside of San Francisco, the payroll tax base for these projected new jobs will decrease by 20 percent from $74,273,401 to $59,418,721.

In 1991, 7.3 percent of taxable salary and wages in the Service sector were exempt under the small business exemption. Exempting a similar 7.3 percent for new jobs added in small businesses would reduce the estimated new taxable salaries and wages by $4,337,567, from $59,418,721 to $55,081,154.

The Budget Analyst therefore estimates that $74,273,401 would be paid in new salaries and wages for 2,543 new Service jobs which are expected to be added annually through 1997. Of the $74,273,401 total salary amount, the business tax credit of the proposed ordinance would apply to $55,081,154 in new salaries and wages. At the current 1.5 percent payroll tax rate (which is used to compute the tax credit), the Budget

Analyst estimates that the City would forego business tax revenues of approximately $826,217 in the first 12 months for each 2,543 new jobs which are created.

7. According to EDD, the average annual salary in the Retail sector of the local economy in 1991 was $18,232. Based on 371 new Retail jobs which EDD projects will be added annually through 1997 (without the business tax credit), the Budget Analyst estimates that total new wages and salaries in the Retail sector will be $6,764,072 on an average annual basis through 1997.

If 20 percent of the total new wages and salaries are allocated to business activities outside of San Francisco, the tax base will decrease by $1,352,814 or 20 percent, from $6,764,072 to $5,411,258.

In 1991, 13 percent of taxable salary and wages in the Retail sector were exempt from taxation under the small business exemption. Exempting a similar 13 percent for new jobs added in small retail businesses would reduce the estimate of new taxable salaries and wages by $703,464, from $5,411,258 to $4,707,794.

The Budget Analyst therefore estimates that $6,764,072 would be paid in new salaries and wages for 371 new Retail jobs which are expected to be added annually through 1997. Of the $6,764,072 total salary amount, the business tax credit of the proposed ordinance would apply to $4,707,794 in new salaries and wages. At the current 1.5 percent payroll tax rate (which would be used to compute the tax credit), the Budget Analyst estimates that the City would forego business tax revenues of approximately $70,617 in the first 12 months for each 371 new Retail jobs which are created.

8. In summary, the total estimated business tax revenues which would be foregone in the first 12 months would be $826,217 for 2,543 Service sector jobs added annually and $70,617 for 371 Retail sector jobs added annually, or a total of $896,834.

Although the City would experience a loss of anticipated business tax revenues as a result of the proposed tax credit (for jobs currently projected to be created), the City could realize benefits from the creation of other jobs, which would not be created in San Francisco unless the tax credit is enacted (see Comment 14).

9. The proposed ordinance provides that a 100 percent tax credit would apply in the first 12 months after a job is created and a 50 percent tax credit would apply for the second 12 months after a job is created. Therefore, for each new job created, the City's actual foregone business tax revenues would be 150 percent of the annual payroll tax liability resulting from the new position. Accordingly, the 2,914 jobs created annually between 1992 and 1997 would result in foregone business tax revenues of $896,834 in the first year of their existence, and $448,417 in the second year of their existence.

Over the five years in which the proposed ordinance would remain in effect, total business tax revenues foregone would therefore be as follows:

Year	No. of New Jobs Created Each Year	1st year tax credit	2nd year tax credit*	Total
1993	2,914	$896,834	0	$896,834
1994	2,914	896,834	$448,417	1,345,251
1995	2,914	896,834	448,417	1,345,251
1996	2,914	896,834	448,417	1,345,251
1997	2,914	896,834	448,417	1,345,251
	14,570			

Total estimate foregone business tax revenues 1993-97: $6,277,838

*Second year tax credit applies at 50 percent of payroll tax liability for jobs which were created in the prior year. For example, foregone revenues in the amount of $448,437 in 1994 would result from the 50% tax credit for jobs created in 1993.

The estimated $6,277,838 in foregone business tax revenues over five years as a result of the proposed ordinance is based on foregone revenues of $896,834 in the first year and $1,345,251 in each subsequent year, or $1,255,568 on an average annual basis over the five years in which the proposed tax credit would remain in effect.

10. The Budget Analyst cannot reasonably predict the number of jobs which could be created in San Francisco as the result of a business tax credit. Businesses which do create new jobs in San Francisco in response to the tax credit would be exempt from the payment of 100 percent of the new tax liability in the first year, and 50 percent of the new tax liability in the second year after the position is created, but would be liable for full payment of business taxes for new jobs after two years following creation of the positions. Therefore,

to the extent that the proposed tax credit attracts new jobs to San Francisco which would not otherwise be created in the City, the City would realize increased business tax revenues in future years.

If, for example, 500, 1,000, or 1,500 new jobs were created annually in response to the proposed tax credit, then the following estimated additional business tax revenues would accrue to the City:

Number of additional jobs created annually	Estimated Average annual new tax revenues in the first 5 years	Est. annual new tax revenues after tax credit expires
500	$251,097	$784,677
1,000	502,193	1,569,353
1,500	753,290	2,354,030

The table above reflects that, if 500 to 1,500 additional jobs are created in San Francisco annually as the result of the proposed tax credit, then San Francisco could potentially realize an additional $251,097 to $753,290 in new business tax revenues during the first five years in which the proposed tax credit would be in effect, and an estimated $784,677 to $2,354,030 annually after all the applicable tax credits have expired beginning in the sixth year, following the sunset of the legislation.

As stated previously, these are estimates based on potential increases in the number of new jobs created in response to the tax credit. However, the extent to which new jobs would actually be created in San Francisco in response to the proposed tax credit cannot be predicted in advance.

File 127-93-3

11. The proposed ordinance (File 127-93-3) would amend the amount of the business tax credit which applies to jobs created within the existing San Francisco Enterprise Zone, as follows:

Duration of employment	Current tax credit (pct. of tax liability)	Proposed tax credit (pct. of tax liability)
First 12 months	50 %	100 %
12-24 months	40 %	50 %
24-36 months	30 %	25 %
36-48 months	20 %	15 %
48-60 months	10 %	10 %

The current business tax credit in the Enterprise Zone creates a disparity between the current business taxes of Enterprise Zone businesses compared to businesses located elsewhere. This disparity in taxation creates an incentive to locate jobs in the Enterprise Zone rather than elsewhere.

The Budget Analyst notes that the proposed ordinance would decrease the amount of the tax credit within the Enterprise Zone for the third through fifth years of any new jobs which are created, compared to the current provisions of the Administrative Code.

12. The proposed ordinance would increase the amount of the tax credit which would apply during the first two years after a job is created within the Enterprise Zone, so that the tax credit within the Enterprise Zone would be equivalent to the proposed City-wide tax credit under the companion proposed ordinance (100 percent in the first year and 50 percent in the second year). However, by creating tax credits of equal amounts for new jobs created within the Enterprise Zone or created elsewhere in the City, some of the incentive to locate new jobs within the Enterprise Zone, rather than elsewhere in the City, would be lost.

However, businesses located in the Enterprise Zone would continue to receive certain Enterprise Zone benefits which still would not be available to other San Francisco businesses, such as sales tax credits for equipment purchases and more favorable loan conditions. In addition, the tax credit for jobs created within the Enterprise Zone currently applies, and would continue to apply, for five years after a job is created. Since the proposed tax credit for businesses City-wide would be available for only two years after a job is created, this disparity in the duration of the tax credit would continue to provide an incentive for businesses to locate in the Enterprise Zone, rather than elsewhere in the City.

13. Mr. Sullivan indicates that the Tax Collector's Office may require additional resources in order to implement the proposed tax credits. Mr. Sullivan states that the Tax Collector's Office is currently evaluating the proposal in detail in order to develop specific estimates of these implementation costs.

14. In summary, as noted above, the proposed tax credits would reduce the growth of business tax revenues which would result from the creation of new jobs even in the absence of a business tax credit. The Budget Analyst estimates the amount of foregone business taxes at $1,255,568 on an average annual basis in fiscal years 1993-94 through 1997-98. However, it should also be noted that any new jobs which are created in San Francisco in response to the proposed tax credit would generate increased business tax revenues for the City. If, for example, 500 to 1,500 new jobs are created annually in response to the proposed tax credit, the estimated new tax revenues would range from $251,097 to $753,290 annually during the first five years, and between $784,677 and $2,354,030 annually in subsequent years. However, the number of jobs which would actually be created cannot reasonably be predicted in advance.

The addition of new jobs in response to the proposed tax credit could also generate other direct sources of revenue for the City, such as higher sales and property tax revenues, depending on the extent to which the new workers expended their wages and located their homes in San Francisco. Moreover, the creation of any additional jobs would also affect the overall level of economic activity in the City, by increasing consumption, spending, and investment. The magnitude of the positive impact of indirect revenues to the City would depend on the nature of the jobs created, the wages which were paid, and the residential and spending patterns of the new workers.

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Achtenberg
Supervisor Shelley
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

San Francisco County
Wage and Salary Employment by Nonagricultural Industry*
1990 Annual Average and Projected 1997 Employment

	1990	1997 (projected)	Absolute Change	Percent Change
Nonagricultural employment	573,100	582,000	8,900	1.6%
Mining & construction	15,700	15,500	-200	-1.3%
Manufacturing	39,100	37,000	-2,100	-5.4%
Nondurable goods	32,500	31,500	-1,000	-3.1%
Food & kindred products	5,000	4,800	-200	-4.0%
Apparel	14,100	14,200	100	0.7%
Printing & publishing	9,400	9,200	-200	-2.1%
Other nondurables	4,000	3,300	-700	-17.5%
Durable goods	6,600	5,500	-1,100	-16.7%
Primary & fabricated metals	1,500	1,100	-400	-26.7%
Transportation equipment	1,000	800	-200	-20.0%
Other durables	4,100	3,600	-500	-12.2%
Transportation & public utilities	38,500	37,000	-1,500	-3.9%
Transportation	20,400	20,000	-400	-2.0%
Communications & utilities	18,100	17,000	-1,100	-6.1%
Wholesale trade	29,800	27,300	-2,500	-8.4%
Retail trade**	78,900	81,500	2,600	3.3%
Department stores	7,900	7,700	-200	-2.5%
Food stores	8,400	8,900	500	6.0%
Apparel stores	9,500	9,800	300	3.2%
Restaurants & bars	32,300	32,700	400	1.2%
Other retail trade	20,800	22,400	1,600	7.7%
Finance, insurance, & real estate	75,800	71,600	-4,200	-5.5%
Finance	46,000	42,700	-3,300	-7.2%
Insurance	19,300	18,100	-1,200	-6.2%
Real estate	10,500	10,800	300	2.9%
Services	202,500	220,300	17,800	8.8%
Hotels & motels	18,300	19,000	700	3.8%
Business services	53,300	62,300	9,000	16.9%
Health services	25,400	27,200	1,800	7.1%
Legal services	20,800	22,800	2,000	9.6%
Social services & membership	22,400	23,900	1,500	6.7%
Engrng, acctng, research & mngmt	30,200	31,800	1,600	5.3%
Other services	32,100	33,300	1,200	3.7%
Government**	92,800	91,800	-1,000	-1.1%
Federal government	28,600	26,500	-2,100	-7.3%
State & local government	64,200	65,300	1,100	1.7%

* Employment is by place of work and does not include persons involved in labor-management trade disputes.

** Includes all civilian government employees regardless of activity in which engaged.

Note: Parts may not add to totals due to independent rounding.
March 1991 benchmark.

Source: Employment Development Department

Public Library, Documents Dept.
ATTN: Jane Judson

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292

May 7, 1993

DOCUMENTS DEPT.
MAY 10 1993
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst Recommendations

SUBJECT: May 11, 1993 Economic Vitality and Social Policy Committee Meeting

Items 1 and 2 - Files 127-93-2 and 127-93-3

Note: These items were continued at the April 27, 1993 Economic Vitality and Social Policy Committee Meeting.

Item: Ordinance amending Part III of the Municipal Code to add credits for newly created jobs to offset business tax and payroll expense tax liabilities (File 127-93-2).

Ordinance amending Section 906A of Article 12A of Part III of the San Francisco Municipal Code (Payroll Expense Tax Ordinance) by increasing tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government job programs; and amending Section 1005.5 of Article 12-B of Part III of the San Francisco Municipal Code (Business (Gross Receipts) Tax Ordinance) by increasing tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government jobs programs (File 127-93-3).

Description:

File 127-93-2

The proposed ordinance (File 127-93-2) would add new provisions to the Municipal Code to create an exemption from certain business taxes for firms which create new jobs in San Francisco. The proposed ordinance is intended to provide an incentive for businesses to create jobs in San Francisco which otherwise would be located elsewhere, by exempting firms from the payment of business taxes on new jobs which are created in San Francisco.

Businesses currently pay the City either the payroll tax or the gross receipts tax, whichever results in a higher tax liability. The proposed ordinance would provide a business tax credit computed as the amount of payroll taxes which an employer would pay, in the absence of a tax credit, as a result of the new job. The amount of the tax credit for firms which pay the gross receipts tax would nonetheless be calculated on the basis of the payroll taxes which would result from the new position, as if the firm were paying payroll taxes. The tax credit would then be deducted from the firm's actual liability for the payment of payroll or gross receipts taxes.

During the first 12 months after a job is created, the tax credit would equal 100 percent of a firm's payroll tax liability for the new salary and wages. During the second 12 months after a job is created, the tax credit would equal 50 percent of a firm's payroll tax liability for the new salary and wages.

To ensure that the tax credit would not reduce employers' payroll tax liability for existing jobs, the proposed ordinance provides that no firm could pay less in business taxes after the tax credit than a baseline level, known as the "base year liability." The base year liability would be calculated as the employer's highest payroll tax liability, exclusive of tax credits, in any previous tax year since 1992. Under this provision of the proposed ordinance, the tax credit could only apply to the extent that salary and wages in a given tax year have increased over a baseline level established in a previous year.

File 127-93-3

The proposed ordinance (File 127-93-3) would amend existing provisions of the Administrative Code pertaining to business tax exemptions which are currently permitted for jobs which are created in the City's existing Enterprise Zone. In May, 1992, the California Department of Commerce designated 6,357 acres of property in San Francisco as an Enterprise

Zone; this area was increased to a total of 7,952 acres in March, 1993. The Enterprise Zone consists approximately of the Mission, South of Market, Potrero Hill, Tenderloin, Chinatown, Western Addition, and Haight Ashbury neighborhoods, as well as the Mission Bay Project Area.

Businesses which create jobs in this Enterprise Zone are currently entitled to receive business tax credits, based on the amount of new salary and wages which are added, over a period of five years. The current exemption is calculated at 50 percent of payroll taxes arising from the new position in the first year after a job is created, 40 percent in the second year, 30 percent in the third year, 20 percent in the fourth year, and 10 percent in the fifth year.

The proposed ordinance would extend tax credits for jobs created within the Enterprise Zone for a period of ten years, rather than for only five years, as currently provided. Under the companion proposed ordinance for all jobs created in San Francisco, the tax credit would expire after only two years, for jobs which are not within the Enterprise Zone

In addition, the proposed ordinance would amend the schedule which is currently used to compute tax credits for jobs created within the Enterprise Zone, in order to make the schedule for tax credits within the Enterprise Zone comparable, during the first year of new employment, to the tax credit provisions of the companion proposed ordinance (File 127-93-2), and to provide, beginning in the second year of new employment, higher tax credits for jobs created within the Enterprise Zone than the tax credits which would apply (File 127-93-2) for jobs created in other areas of the City (see Comment 11).

Comments:

File 127-93-2

1. The proposed ordinance (File 127-93-2) is intended to provide an incentive for employers to create jobs in San Francisco that they would not otherwise locate in San Francisco because of the business tax. However, the effect of the proposed ordinance would be to exempt from payroll taxes all new jobs which are created after the effective date of the ordinance, including some jobs which might be created even if there were no tax credit incentives. Therefore, it is probable that the City could experience some loss of business tax revenue in future years for jobs that would be created, and for which taxes would be paid, even if there were no tax credit.

This can be seen most easily in the following table, which reflects the effect on the City's business tax of different job creation and job loss scenarios, with and without the proposed tax credit:

Job Creation/Loss Scenario	Without tax credit	With tax credit
(1) Existing jobs which stay	Continued tax revenues	Continued tax revenues
(2) Existing jobs lost in the future	Decline in tax revenues	Decline in tax revenues
(3) Jobs coming to San Francisco without credit	New tax revenues	No tax revenues
(4) Jobs coming to San Francisco only with credit	No tax revenues	No tax revenues

This table reflects that, under the proposed ordinance, business taxes would not be affected for the City's existing jobs (scenarios (1) and (2)). The table also reflects that the City could not experience a loss of tax revenue from jobs that would only be created as a result of the tax credit (scenario (4)), since, if the City did not provide the tax credit, these jobs would not (by definition) be created in San Francisco. However, the City would experience a loss of business tax revenues for new positions which employers are expected to establish in San Francisco out of business necessity, whether or not a tax credit is established (scenario (3)).

2. According to the most recent projections of the Employment Development Department (EDD), total employment in San Francisco is projected to increase by 8,900 jobs from the 1990 level of 573,100 to an estimated 582,000 jobs by 1997. (A table showing EDD's projections is attached to this report.)

According to EDD, the gain of 8,900 jobs will result from the combined effect of the loss of 11,500 jobs in the mining, manufacturing, transportation, wholesale, finance, and government sectors, and the addition of 20,400 jobs in the retail and service sectors of the local economy. The Budget Analyst notes that the 11,500 lost jobs would fall into scenario (2) in the table shown above, since a net total of 11,500 jobs are expected to be lost and not replaced, according to EDD.

3. The City would experience a loss of existing tax revenues from the net total of 11,500 existing jobs which are expected to be eliminated and not replaced (scenario (2)). However, this loss of tax revenue would not be attributable to any of the provisions of the proposed ordinance. The Budget Analyst notes that, in theory, some employers may elect not to eliminate jobs if a business tax credit were enacted for existing jobs, but that, in fact, the proposed tax credit would

not apply to existing jobs and therefore would not act as a deterrent to the loss of these jobs.

4. Of the 20,400 new jobs which are expected to be added to the service and retail sectors over 7 years between 1990 and 1997 (an average of 2,914 new jobs annually including 2,543 in the Service sector and 371 in the Retail sector), approximately 14,570 new jobs would result in business tax exemptions for employers over the five years (January 1, 1993 through December 31, 1997) that the proposed ordinance would remain in effect (2,914 new jobs annually x 5 years = 14,570 jobs). Thus, 14,570 jobs would fall under scenario (3) above, as jobs which are currently expected to be added even if no tax credits were granted.

Therefore, based on projections of the State EDD, by establishing a business tax credit based on all jobs which are created after January 1, 1993, the City would experience a loss of business tax revenues from an estimated 14,570 jobs which are expected to be created between 1993 and 1997 whether or not a tax credit is available.

5. The City's payroll tax is not computed on the basis of the full wage and salary costs of San Francisco businesses. Rather, the wage and salary costs which are attributable to a firm's business activities outside of San Francisco are deducted from a firm's total wage and salary costs before the payroll tax is computed. In addition, firms having total taxable payrolls less than $166,667 (resulting in a tax liability of $2,500 or less at the current payroll tax rate of 1.5 percent) are not liable for the payroll tax.

Therefore, an estimate of the foregone business tax revenues associated with 14,570 new jobs must incorporate these existing deductions and exemptions.

Mr. Richard Sullivan of the Tax Collector's Office states that the exact amount of the salaries and wages which are attributable to business activities conducted outside of San Francisco, and which therefore cannot be taxed, cannot be estimated with precision. However Mr. Sullivan has estimated that approximately 20 percent of total wages and salaries paid in San Francisco are allocated to business activities which occur outside of the City and are not taxed. In addition, Mr. Sullivan reports that, in 1991, approximately 92.7 percent of total taxable payroll in the Service sector resulted in employers' liability for business tax, while the remaining 7.3 percent was exempt from business taxes under the small business exemption, and was not taxed.

Similarly, approximately 87 percent of total taxable payroll in the Retail sector resulted in employers' liability for business tax, while the remaining 13 percent was exempt from business taxes under the small business exemption, and was not taxed.

6. According to EDD, the average annual salary in the Service sector of the local economy in 1991 was $29,207. Based on 2,543 new Service sector jobs which EDD projects will be added annually through 1997 (without the business tax credit), the Budget Analyst estimates that total new wages and salaries in the Service sector will be $74,273,401 on an average annual basis through 1997.

If 20 percent of the total new wages and salaries are allocated to business activities outside of San Francisco, the payroll tax base for these projected new jobs will decrease by 20 percent from $74,273,401 to $59,418,721.

In 1991, 7.3 percent of taxable salary and wages in the Service sector were exempt under the small business exemption. Exempting a similar 7.3 percent for new jobs added in small businesses would reduce the estimated new taxable salaries and wages by $4,337,567, from $59,418,721 to $55,081,154.

The Budget Analyst therefore estimates that $74,273,401 would be paid in new salaries and wages for 2,543 new Service jobs which are expected to be added annually through 1997. Of the $74,273,401 total salary amount, the business tax credit of the proposed ordinance would apply to $55,081,154 in new salaries and wages. At the current 1.5 percent payroll tax rate (which is used to compute the tax credit), the Budget Analyst estimates that the City would forego business tax revenues of approximately $826,217 in the first 12 months for each 2,543 new jobs which are created.

7. According to EDD, the average annual salary in the Retail sector of the local economy in 1991 was $18,232. Based on 371 new Retail jobs which EDD projects will be added annually through 1997 (without the business tax credit), the Budget Analyst estimates that total new wages and salaries in the Retail sector will be $6,764,072 on an average annual basis through 1997.

If 20 percent of the total new wages and salaries are allocated to business activities outside of San Francisco, the tax base will decrease by $1,352,814 or 20 percent, from $6,764,072 to $5,411,258.

In 1991, 13 percent of taxable salary and wages in the Retail sector were exempt from taxation under the small business exemption. Exempting a similar 13 percent for new jobs added in small retail businesses would reduce the estimate of new taxable salaries and wages by $703,464, from $5,411,258 to $4,707,794.

The Budget Analyst therefore estimates that $6,764,072 would be paid in new salaries and wages for 371 new Retail jobs which are expected to be added annually through 1997. Of the $6,764,072 total salary amount, the business tax credit of the proposed ordinance would apply to $4,707,794 in new salaries and wages. At the current 1.5 percent payroll tax rate (which would be used to compute the tax credit), the Budget Analyst estimates that the City would forego business tax revenues of approximately $70,617 in the first 12 months for each 371 new Retail jobs which are created.

8. In summary, the total estimated business tax revenues which would be foregone in the first 12 months would be $826,217 for 2,543 Service sector jobs added annually and $70,617 for 371 Retail sector jobs added annually, or a total of $896,834.

Although the City would experience a loss of anticipated business tax revenues as a result of the proposed tax credit (for jobs currently projected to be created), the City could realize benefits from the creation of other jobs, which would not be created in San Francisco unless the tax credit is enacted (see Comment 14).

9. The proposed ordinance provides that a 100 percent tax credit would apply in the first 12 months after a job is created and a 50 percent tax credit would apply for the second 12 months after a job is created. Therefore, for each new job created, the City's actual foregone business tax revenues would be 150 percent of the annual payroll tax liability resulting from the new position. Accordingly, the 2,914 jobs created annually between 1992 and 1997 would result in foregone business tax revenues of $896,834 in the first year of their existence, and $448,417 in the second year of their existence.

Over the five years in which the proposed ordinance would remain in effect, total business tax revenues which are currently expected to accrue to the City, but which would be foregone if a tax credit were applied for creation of these jobs, would be as follows:

Year	Current Expected Job Growth 1993-1997	1st year tax credit	2nd year tax credit*	Total
1993	2,914	$896,834	0	$896,834
1994	2,914	896,834	$448,4	
17	1,345,251			
1995	2,914	896,834	448,417	1,345,251
1996	2,914	896,834	448,417	1,345,251
1997	2,914	896,834	448,417	1,345,251
	14,570			

Total estimated foregone business tax revenues 1993-97: $6,277,838

*Second year tax credit applies at 50 percent of payroll tax liability for jobs which were created in the prior year. For example, foregone revenues in the amount of $448,437 in 1994 would result from the 50% tax credit for jobs created in 1993.

The estimated $6,277,838 in foregone business tax revenues over five years as a result of the proposed ordinance is based on foregone revenues of $896,834 in the first year and $1,345,251 in each subsequent year, or $1,255,568 on an average annual basis over the five years in which the proposed tax credit would remain in effect.

Mr. Sullivan has concurred in the above estimates of the future business tax revenues which the City would receive (based on EDD projections of jobs expected to be added in the absence of a tax credit), but which would be foregone as a result of the proposed tax credit.

10. The Budget Analyst cannot reasonably predict the number of jobs which could be created in San Francisco as the result of a business tax credit. Businesses which do create new jobs in San Francisco in response to the tax credit would be exempt from the payment of 100 percent of the new tax liability in the first year, and 50 percent of the new tax liability in the second year after the position is created, but would be liable for full payment of business taxes for new jobs after two years following creation of the positions. Therefore, to the extent that the proposed tax credit attracts new jobs to San Francisco which would not otherwise be created in the City, the City would realize increased business tax revenues in future years.

If, for example, 500, 1,000, or 1,500 new jobs were created annually in response to the proposed tax credit, then the following estimated additional business tax revenues would accrue to the City:

Number of additional jobs created annually	Estimated average annual new tax revenues in the first 5 years	Est. annual new tax revenues after tax credit expires
500	$251,097	$784,677
1,000	502,193	1,569,353
1,500	753,290	2,354,030

The table above reflects that, if 500 to 1,500 additional jobs are created in San Francisco annually as the result of the proposed tax credit, then San Francisco could potentially realize an additional $251,097 to $753,290 in new business tax revenues during the first five years in which the proposed tax credit would be in effect, and an estimated $784,677 to $2,354,030 annually after all the applicable tax credits have expired beginning in the sixth year, following the sunset of the legislation.

As stated previously, these are estimates based on potential increases in the number of new jobs created in response to the tax credit. However, the extent to which new jobs would actually be created in San Francisco in response to the proposed tax credit cannot be predicted in advance.

File 127-93-3

11. The proposed ordinance (File 127-93-3) would amend the amount of the business tax credit which would apply to jobs created within the existing San Francisco Enterprise Zone, as follows:

Duration of employment	Current tax credit (pct. of tax liability)	Proposed tax credit (pct. of tax liability)
Year 1	50 %	100 %
Year 2	40 %	100 %
Year 3	30 %	50 %
Year 4	20 %	50 %
Year 5	10 %	25 %
Year 6	0	25 %
Year 7	0	15 %
Year 8	0	15 %
Year 9	0	10 %
Year 10	0	10 %

The current business tax credit in the Enterprise Zone creates a disparity between the current business taxes of Enterprise Zone businesses compared to businesses located

elsewhere. This disparity in taxation creates an incentive to locate jobs in the Enterprise Zone rather than elsewhere.

As shown in the above table, the proposed ordinance would increase the amount of the tax credit within the Enterprise Zone, and would provide for a continued tax credit in the sixth through tenth years after a job is created within the Enterprise Zone, whereas the existing tax credit within the Enterprise Zone expires after only 5 years.

12. The proposed ordinance would increase the amount of the tax credit which would apply during the first two years after a job is created within the Enterprise Zone, so that the tax credit within the Enterprise Zone would be equivalent to the proposed City-wide tax credit under the companion proposed ordinance during the first year, but higher than the proposed City-wide tax credit in the second through tenth years for jobs created in the Enterprise Zone.

Since jobs created throughout the City would qualify for a 100 percent tax credit in the first year, some of the incentive to locate jobs in the Enterprise Zone, based on the first year tax credit, would be lost. However, the proposed ordinance would also create a higher incentive to locate jobs in the Enterprise Zone, by increasing the amount of the current tax credit in the 2nd through fifth years and applying a new tax credit in the Enterprise Zone in the sixth through tenth years. In contrast, the proposed tax credit for businesses City-wide would be available for only two years after a job is created, resulting in a continued incentive for businesses to locate in the Enterprise Zone, rather than elsewhere in the City.

For any jobs which would be created in the Enterprise Zone as a result of the current 5-year tax credit, extending the Enterprise Zone tax credit over ten years would result in a loss of business tax revenues, in the sixth through tenth years, since these jobs would not have to begin paying business tax revenues after 5 years. However, the extension of the tax credit to 10 years could result in an increase in the number of jobs created within the Enterprise Zone, if jobs are created in response to a 10-year tax credit which would not be created in response to the current 5-year tax credit.

13. Businesses located in the Enterprise Zone would continue to receive certain Enterprise Zone benefits which still would not be available to other San Francisco businesses, such as sales tax credits for equipment purchases and more favorable loan conditions.

14. Mr. Sullivan indicates that the Tax Collector's Office would require additional resources in order to implement the proposed tax credits. According to Mr. Sullivan, the cost of implementing the proposed ordinance is estimated at approximately $115,400 in the first year. However, Mr. Sullivan indicates that it will be difficult to precisely estimate the new resources which will be needed, since the Tax Collector's costs will depend on the number of firms applying for the tax credit.

15. In summary, as noted above, the proposed tax credits would reduce the growth of business tax revenues which would result from the creation of new jobs even in the absence of a business tax credit. The Budget Analyst estimates the amount of foregone business taxes at $1,255,568 on an average annual basis in fiscal years 1993-94 through 1997-98.

However, it should also be noted that any new jobs which are created in San Francisco in response to the proposed tax credit would generate increased business tax revenues for the City. If, for example, 500 to 1,500 new jobs are created annually in response to the proposed tax credit, the estimated new tax revenues would range from $251,097 to $753,290 annually during the first five years, and between $784,677 and $2,354,030 annually in subsequent years. However, the number of jobs which would actually be created cannot reasonably be predicted in advance.

The addition of new jobs in response to the proposed tax credit could also generate other direct sources of revenue for the City, such as higher sales and property tax revenues, depending on the extent to which the new workers expended their wages and located their homes in San Francisco. Moreover, the creation of any additional jobs would also affect the overall level of economic activity in the City, by increasing consumption, spending, and investment. The magnitude of the positive impact of indirect revenues to the City would depend on the nature of the jobs created, the wages which were paid, and the residential and spending patterns of the new workers.

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

San Francisco County
Wage and Salary Employment by Nonagricultural Industry*
1990 Annual Average and Projected 1997 Employment

	1990	1997 (projected)	Absolute Change	Percent Change
Nonagricultural employment	573,100	582,000	8,900	1.6%
Mining & construction	15,700	15,500	-200	-1.3%
Manufacturing	39,100	37,000	-2,100	-5.4%
Nondurable goods	32,500	31,500	-1,000	-3.1%
Food & kindred products	5,000	4,800	-200	-4.0%
Apparel	14,100	14,200	100	0.7%
Printing & publishing	9,400	9,200	-200	-2.1%
Other nondurables	4,000	3,300	-700	-17.5%
Durable goods	6,600	5,500	-1,100	-16.7%
Primary & fabricated metals	1,500	1,100	-400	-26.7%
Transportation equipment	1,000	800	-200	-20.0%
Other durables	4,100	3,600	-500	-12.2%
Transportation & public utilities	38,500	37,000	-1,500	-3.9%
Transportation	20,400	20,000	-400	-2.0%
Communications & utilities	18,100	17,000	-1,100	-6.1%
Wholesale trade	29,800	27,300	-2,500	-8.4%
Retail trade	78,900	81,500	2,600	3.3%
Department stores	7,900	7,700	-200	-2.5%
Food stores	8,400	8,900	500	6.0%
Apparel stores	9,500	9,800	300	3.2%
Restaurants & bars	32,300	32,700	400	1.2%
Other retail trade	20,800	22,400	1,600	7.7%
Finance, insurance, & real estate	75,800	71,600	-4,200	-5.5%
Finance	46,000	42,700	-3,300	-7.2%
Insurance	19,300	18,100	-1,200	-6.2%
Real estate	10,500	10,800	300	2.9%
Services	202,500	220,300	17,800	8.8%
Hotels & motels	18,300	19,000	700	3.8%
Business services	53,300	62,300	9,000	16.9%
Health services	25,400	27,200	1,800	7.1%
Legal services	20,800	22,800	2,000	9.6%
Social services & membership	22,400	23,900	1,500	6.7%
Engrng, acctng, research & mngmt	30,200	31,800	1,600	5.3%
Other services	32,100	33,300	1,200	3.7%
Government**	92,800	91,800	-1,000	-1.1%
Federal government	28,600	26,500	-2,100	-7.3%
State & local government	64,200	65,300	1,100	1.7%

* Employment is by place of work and does not include persons involved in labor-management trade disputes.

** Includes all civilian government employees regardless of activity in which engaged.

Note: Parts may not add to totals due to independent rounding.
March 1991 benchmark.

Source: Employment Development Department

Items 3, 4 and 5 - Files 224-92-2, 115-93-3.1 and 115-93-3

Note: These items were continued by the Economic Vitality and Social Policy Committee at its meeting of April 27, 1993

Department: City Planning
Public Works - Bureau of Building Inspection

Items: Item 3 - Hearing to consider the problems faced by small businesses in complying with zoning and building code requirements and how this affects the viability of retaining small businesses in San Francisco's neighborhood commercial districts. (File 224-92-2).

Item 4 - Resolution urging the Mayor and Chief Administrative Officer to urge the City's zoning and building enforcement departments and officials not to take final or disruptive actions against persons in the Sacramento Street Corridor who may be in violation of the City's current zoning and building regulations until there has been an opportunity over the next few months to consider any proposed amendments to the City's zoning and building regulations that may be considered for review and possible approval. (File 115-93-3.1).

Item 5 - Hearing to consider amending the Building and Planning Codes to create a new category of building use called low-density commercial that applies residential use building standards to low-density commercial; the category would apply to professional uses such as psychotherapists, psychiatrists, architects and lawyers and would only apply to existing legal commercial spaces and commercial spaces that could become legal under provisions of Planning Code Section 179; would apply only in neighborhood commercial districts and no current residential space would be permitted to convert to commercial use.(File 115-93-3).

Background: The Department of City Planning, in a letter to the Sacramento Street Association of Merchants, Professionals and Property Owners (the Sacrament Street Association), dated September 3, 1992 (Attachment I), addresses the course of events that lead to the development of neighborhood commercial districts (NCD) in general and cites some of the particular manifestations of those zoning controls as they apply to the Sacramento Street Neighborhood Commercial District. The letter also addresses the City's current code enforcement efforts on Sacramento Street and comments on the estimated number of businesses and the cost estimates cited by the Sacramento Street Association in a Business

Impact Survey conducted by the Association and published in a letter to the Director of Planning, dated August 24, 1992.

The Sacramento Street NCD was established by legislation adopted in 1987. The District is located in the Presidio Heights neighborhood in north-central San Francisco and extends along Sacramento Street between Lyon and Spruce, a total of five blocks in length. According to the Planning Code, the Sacramento Street District controls are designed to promote adequate growth opportunities for development that is compatible with the surrounding low-density residential neighborhood and that special controls are designed to protect existing neighborhood-serving ground-story retail uses. The Planning Code also states that new medical service offices are prohibited in all stories and that personal and business services are restricted to the ground-story and prohibited on upper stories. The Sacramento Street Neighborhood Commercial District description concludes with the statement that "Housing development in new buildings is encouraged above the second story. Existing residential units are protected by limitations on demolitions and prohibitions of upper-story conversions."

Zoning for the City's 16 named neighborhood commercial districts and four generic neighborhood commercial districts identifies a full range of land uses and specifies not only which uses are permitted, permitted by conditional use, and not permitted in each of the districts but also specifies how the various uses are controlled on each floor of buildings in each district. According to the Planning Department, this system of zoning tailors controls to the unique characteristics and needs of the districts, as identified in the Planning Department's comprehensive study of neighborhood commercial areas. Categories of use include retail stores, bars, restaurants, medical offices, other business offices, and financial services.

Although many variations of the controls exist, in most districts, retail stores are permitted on the ground floor; offices, restaurants, bars and financial services are either permitted or permitted by conditional use on the ground floor; retail uses and/or offices are permitted by conditional use on the second floor and are not permitted on the third floor or above; residential uses are permitted on all floors and residential conversions (to non-residential uses) are either permitted only by conditional use or are not permitted on or above the second floor.

Attachment II is an extract of the Planning Code that explains how to use Zoning Control Tables to determine permitted land uses within a zoning district. The Zoning Control Table shown below that was developed for this report by the Department of City Planning shows the controls for the various types of commercial and residential activity as they apply to Sacramento Street NCD.

Sacramento Street Zoning Control Table

Zoning Category	Controls by Story 1st	2nd	3rd and Higher
Retail Store	P	C	N
Bar	N	N	N
Full-service Restaurant	C	N	N
Medical Service	N	N	N
Other Business Office	C	N	N
Residential Use	P	P	P
Residential Conversion	P	N	N

KEY P = a use that is permitted.
C = a conditional use (that is approvable by the City Planning Commission).
N = a use that is not permitted.

The City's Master Plan is the basic document guiding all development and zoning within the City. The Master Plan contains certain "objectives" to guide development within the City and "policies" to achieve those objectives in various Master Plan elements (such as the Land Use, Open Space, and Noise elements). We have included in Attachment III policies from the Commerce and Industry and the Residence Elements of the Master Plan, selected by the Department of City Planning as relevant factors that must be considered when considering changes to zoning controls.

The voters of the City passed Proposition M, "Planning Initiative," in November of 1986. Proposition M established eight "Priority Policies" that are to be used as the basis upon which inconsistencies in the Master Plan are to be resolved. The eight Priority Policies are as follows:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced;

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

3. That the City's supply of affordable housing be preserved and enhanced;

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

7. That landmarks and historic buildings be preserved; and,

8. That our parks and open space and their access to sunlight and vistas be protected from development.

Proposition M also provides that "Prior to issuing a permit for any project or adopting any legislation which requires an initial study under the California Environmental Quality Act, and prior to issuing a permit for any demolition, conversion or change of use, and prior to taking any action which requires a finding of consistency with the Master Plan, the City shall find that the proposed project or legislation is consistent with the Priority Policies established above."

Description: The three items reported on herein are either (1) concerned with the effects of enforcing the City's current zoning provisions in Neighborhood Commercial Districts or (2) seek to provide some form of relief to owners of buildings containing illegal commercial units in order to diminish the economic effects to the City and to those owners of enforcing the currently existing zoning laws.

Item 3 - File 224-92-2

This item is a hearing to consider the problems that owners of buildings with illegal commercial units in the City's neighborhood commercial districts face in complying with zoning and building code requirements and how these

problems affect the viability of retaining small businesses in the City's neighborhood commercial districts.

The Sacramento Street Neighborhood Commercial District, as do all of the City's Neighborhood Commercial Districts, contains a number of former residential units that have been illegally converted to commercial uses, such as to professional office uses. The Department of City Planning has identified a total of 18 buildings in the Sacramento Street Neighborhood Commercial District that contain approximately 45 illegal commercial units, providing office space for as many as 150 professional businesses.

Many of the buildings in the Sacramento Street Neighborhood Commercial District, though of no more than three stories and constructed to contain three units, are spacious buildings. Some of the individual units are large enough to accommodate four or more professional offices in each unit. Thus, building owners are able to produce much more revenue because the rent for several commercial units is usually higher than for a single residential unit. However, building owners converted many of the units to commercial uses without obtaining building permits. Owners of buildings containing illegal commercial units, who have been served with a Notice of Violation by the City for such use, have the following options under the City's Planning Code:

1. Convert the unit back to its legal residential use.

2. If the currently illegal use was either a permitted use or a conditional use as specified in the Planning Code during the period when it was converted to such use, then the building owner may obtain the necessary permits and perform the work necessary to convert the unit to a non-conforming commercial use, as provided in Section 179 of the Planning Code.

Item 4 - File 115-93-3.1

This item is a resolution urging the Mayor and Chief Administrative Officer to urge the City's zoning and building enforcement departments and officials not to take final or disruptive actions against persons in the Sacramento Street Corridor who may be in violation of the City's current zoning and building regulations until there has been an opportunity over the next few months to consider any proposed amendments to the City's zoning and building regulations that may be considered for review and possible approval.

In a letter to the President of the Board of Supervisors, dated April 27, 1993, concerning the City Planning Department's code enforcement efforts on Sacramento Street, the Director of Planning stated that "all but three property owners have taken steps to legalize their properties-- some have chosen to legalize the existing commercial uses and others have chosen to reconvert to housing." Mr. Blazej further states that during the expected two to three month period during which amendments to the Building Code may be considered, the Planning Department would not instruct the City Attorney to file injunctions against any of the property owners who are showing a good faith effort to bring their properties into compliance. Filing a building permit application to legalize or convert existing uses is considered a good faith effort.

Item 5 - File 115-93-3

This item is a hearing to consider amending the Building and City Planning Codes to create a new category of building use called low-density commercial that applies residential use building standards to low-density commercial uses. The new category would apply to professional uses such as psychotherapists, psychiatrists, architects and lawyers and would only apply to existing legal commercial spaces and commercial spaces that could become legal under provisions of Planning Code Section 179. The new category would apply only to neighborhood commercial districts and no current residential space would be permitted to convert to commercial use.

Mr. Larry Litchfield, Superintendent of the Bureau of Building Inspection, has provided the Budget Analyst with a memorandum dated May 5, 1993, in which he suggests that the issue of establishing a light-duty office use category in the Building Code be assigned to the Code Advisory Committee, as identified in Section 216 of the San Francisco Building Code. Mr. Litchfield states that with respect to amending the Building Code, such amendments would have to conform to the minimum standards of the State Building Code, which cover such provisions as structural floor loading, exiting, fire separations, fire sprinkler requirements, and type of construction. However, according to Mr. Litchfield, seismic retrofit provisions are prescribed by the local building code, and therefore, the seismic upgrade requirements in Section 104 of the San Francisco Building Code can be adjusted by the Board of Supervisors through the code change process.

Comments:

1. As an indicator of the value of the 18 buildings included in the City's Sacramento Street code enforcement program, Mr. Stephen Dunbar, Chief Assistant Assessor, estimates that a two-story building in the Sacramento Street Neighborhood Commercial District zoned for two residential dwellings over a garage and basement would have an assessed value of approximately $600,000. Mr. Dunbar estimates that the same structure with illegal commercial units would have an assessed value of approximately $800,000. One seven-unit building of the 18 buildings included in the City's Sacramento Street Code Enforcement Program was sold to a new owner in 1989 at a price of approximately $2,200,000.

2. Mr. Dunbar has stated that professional office space typically rents for from one-third to one-half more than does residential space in a given building and that accordingly a building with primarily commercial uses would sell from one-third to one-half more than would a similar residential building. Mr. Dunbar reports that large residential flats, of the type found on Sacramento Street, would rent for an estimated $1,400 monthly and that space for a professional office in the area would rent for at least $1.50 per square foot per month.

3. Mr. Peter Burns of the Bureau of Building Inspection has provided the Budget Analyst with information concerning the construction costs of converting units. According to Mr. Burns, the cost of converting an illegal commercial unit back to its legal residential use is relatively low, from several hundred dollars to $2,000 or $3,000. However, Mr. Burns states that the cost of legalizing an illegal commercial unit typically costs from $60,000 to $100,000 and that the main elements of such construction include seismic reinforcing, exiting, fire rating, and energy conservation requirements. Mr. Burns has also stated that the cost per unit of such conversions generally decrease when more than two units are being converted.

4. Mr. Richard Sullivan, Deputy Tax Administrator, has identified 78 upper floor (other than the ground level or first floor) businesses in the eighteen buildings containing illegal commercial units in the ongoing Sacramento Street Code Enforcement Program, referred to in Attachment I. According to Mr. Sullivan, of those 78 businesses, only 2 businesses are paying either gross receipts or payroll taxes, for a total of $6,100, and 31 businesses are paying the Business Registration fee of $150, for a total of $4,650. Mr. Sullivan reports that the businesses cited would also be

required to pay the City's Unsecured Property Tax, at a rate of $1.15 per $100 of assessed unsecured property.

5. Mr. Dunbar further reports that the Assessor's Office is allowed to assess the construction value of work performed to convert uses in buildings. Thus, if the assessed value of a building were to increase by $150,000 due to the conversion of two units, the property taxes on that unit would increase by $1,725 on an annual basis, based on a tax rate of $1.15 per $1,000 of assessed valuation.

6. Ms. Mary Gallagher, Chief of Code Enforcement in the Department of City Planning, has provided the Budget Analyst with the following estimates on the number of legal and illegal commercial uses in the City's neighborhood commercial districts:

	Number
No. of Buildings	8,500
No. of Commercial Units within the 8,500 buildings	18,700
No. of Illegal Commercial Units within the 8,500 buildings	2,800

7. Determining the economic impact on the City of enforcing the provisions of the Planning Code in all neighborhood commercial districts throughout the City is complex. Such an endeavor requires predicting the behavior of building owners and building occupants as they are faced with code enforcement decisions, as well as making estimates concerning the number of buildings, the number of owners, and the number of building occupants that would be affected. Further, estimates and assumptions concerning costs of construction, the availability of suitable alternative office space, the time required to perform the construction and a host of other variables affect the choices that would be made. Listed below are some of the factors that would require consideration in determining the economic impact on the City of enforcing the provisions of the Planning Code in all neighborhood commercial districts throughout the City:

- How many buildings containing illegally converted units are there and how many businesses do they represent?

- How many of the illegally converted buildings and units would actually be subject to City code enforcement actions on an annual basis?

- How many of the illegal commercial units subject to code enforcement actions on an annual basis would legalize the commercial uses? How many would revert back to their legal residential uses?

- Of the units that reconvert to residential uses, where do the commercial tenants relocate?

- What are the possible actions that the City can take to optimize the relocation of businesses within the City? Would they be taken?

- How much revenue do the illegally converted businesses contribute to the City, directly and indirectly?

- How much revenue does the residential use of reconverted illegal uses contribute to the City?

- What is the cost to the City for fire, safety protection (for example, during a fire or subsequent to an earthquake) and other services provided to a property with an illegally converted business relative to a property with a legally converted business and relative to a property with a legally existing residential use?

8. Using the Planning Department's estimate of approximately 2,800 illegal commercial units in the neighborhood commercial districts in the City and estimating that those 2,800 illegal commercial units house 5,600 individual businesses, we estimate that the maximum amount of direct revenue to the City, if all 5,600 businesses pay the fees and taxes due to the City, would be approximately $1,979,200, determined as follows:

Type Tax or Fee	Average Amount	Number Included	Total Amount
Business Registration	$150	5,600	$840,000
Payroll or Gross Receipts	$3,050	144	439,200
Unsecured Property	$250	2,800	700,000
Total			$1,979,200

The above $1,979,200 estimate of maximum total revenue would represent the worst case revenue loss if all 5,600 business relocated outside of San Francisco or ceased doing business.

9. Notwithstanding the above "worst case" analysis, the Department of City Planning has indicated that approximately one-third of those building owners faced with the choice of legalizing their existing illegal commercial units or reconverting those units to residential users would choose to legalize the commercial unit. The Department has also indicated that most of the tenants of the units that are reconverted to residential uses would relocate in San Francisco. However, the Budget Analyst has not obtained verifiable data indicating the choices that building owners or commercial tenants would make when faced with code enforcement and relocation alternatives.

Recommendation: The decision of whether to urge the Mayor and the Chief Administrative Officer to urge the City's zoning and building enforcement departments and officials not to take final or disruptive actions against persons in the Sacramento Street Corridor who may be in violation of the City's current zoning and building regulations, until there has been an opportunity over the next few months to consider any proposed amendments to the City's zoning and building regulations that may be considered for review and possible approval, is a policy decision for the Board of Supervisors.

City and County of San Francisco
Department of City Planning
450 McAllister Street
San Francisco, CA 94102

September 3, 1992

Karen McChrystal
Sacramento Street Association of Merchants,
Professionals and Property Owners
3618 Sacramento Street
San Francisco, CA 94118

RE: Sacramento Street Enforcement Program

Dear Ms. McChrystal:

Thank you for your letter of August 24 (copy attached). Based on your comments, I believe there are some misunderstandings surrounding the City's code enforcement effort on Sacramento Street. I would like to take this opportunity to explain the program and address your concerns from the perspective of the Planning Department and the City's Planning Code.

HISTORY OF SACRAMENTO STREET ZONING CONTROLS

Beginning in 1978, the City Planning Department began a comprehensive study of the City's neighborhood commercial areas. The study was prompted at the request of both residents and merchants of these areas. In the study, we found that upper story residential units were being replaced with commercial uses. Although this trend fostered business growth, it also resulted in loss to the City's housing stock and attendant rise in housing costs. Notably, many of these housing units were subject to rent control. The loss of these units represented a loss of affordable housing. The new upper-story commercial uses also resulted in increased parking congestion.

In 1987, after several years of public testimony before both the City Planning Commission and Board of Supervisors, the City adopted new zoning (i.e., land use) controls to address these problems and issues. Preservation and protection of upper-story residential units was one of the primary purposes of the new zoning controls. Sacramento Street was among the areas that were rezoned.

In the Sacramento Neighborhood Commercial District, as legislated by the 1987 zoning controls, retail stores are permitted uses on the ground floor, require conditional use authorization on the second floor (that is, approval from the City Planning Commission after a public hearing), and are not permitted on the third floor or above in buildings within the district. Most other types of uses on the ground floor, such as nonmedical business offices, require conditional use authorization. New offices of any type are not permitted on the second floor or above. New medical offices are not permitted on any floor, including street levels. (One of

the reasons medical offices were distinguished from other types of offices was because they tended to draw more clients on a regular basis than many other office uses -- exacerbating parking problems -- and because in some districts, such as Sacramento Street, they were proliferating to the extent of limiting the range of neighborhood-serving uses.) The only uses for upper stories which do not require conditional use authorization are residential uses. These zoning rules apply to any new use -- that is, a proposed use not already legally in existence. Any uses which are legally in existence (that is, they were installed with a building permit), including medical offices, are allowed to remain. (These are known as "nonconforming uses.")

Along with the new 1987 controls is a provision, specifically Section 179, which permits the legalization of many commercial uses which had illegally replaced residential units prior to 1987. That is, these uses were installed without a building permit, prior to the adoption of the new zoning controls. Section 179 was recently extended for three years in order to provide property owners with additional time to legalize upper story commercial uses should they desire to do so. (While the Planning Code allows up to three years for owners to legalize these uses, in many cases there are also Building Code violations which must be corrected much sooner.)

What this legalization provision means is that not only can all legally operating (medical and nonmedical) offices remain along Sacramento Street, but many presently illegal offices can also remain if they are legalized under Planning Code Section 179. We should note that every illegal use along Sacramento Street may not qualify for consideration under Section 179; however, we believe that most properties would qualify. Final approval under the Section 179 program is subject to a property's conformance with all other City Codes, such as the life-safety provisions of the Building Code, conformance with the City's eight priority planning policies (Planning Code Section 101.1), and approval by the Planning Commission and/or Board of Permit Appeals (should any requests for discretionary review or permit appeal be filed).

ENFORCEMENT EFFORT ON SACRAMENTO STREET

The Planning Department is in the process of developing a city-wide program to address illegal conversions in neighborhood commercial districts. In part due to a request of the Presidio Heights Association of Neighbors (PHAN), the Department has initiated the city-wide effort with a district-oriented pilot program along three blocks within the Sacramento Street Neighborhood Commercial District. There are currently 18 buildings included in the program.

It appears that roughly 45 upper-story housing units were illegally replaced with office uses in these 18 buildings. In addition to violating the City's zoning regulations, these properties also violate the Building Code because they do not meet the minimum life-safety standards required of commercial occupancy. Simply explained, commercial occupancy requires seismic and fire protection at a higher level than low density housing. This is

because more people are likely to be in a commercial use than a flat during some periods and because visitors to commercial uses are less likely to be as familiar with the layout of the buildings (necessary for emergency exiting) than residents of a flat. The current state of many of the 18 properties relative to how they are being used amounts to a threat to the public health, safety and welfare of the neighborhood and the City.

It is the obligation of the Planning Department and Bureau of Building Inspection to have these 18 buildings brought into compliance with the Planning, Housing and Building Codes. In some cases this will mean legalizing illegal office buildings. In others this will mean replacing lost residential units. (Legalization of a commercial use in a formerly residential building triggers Building Code requirements which may be costly.) Representatives of both the Building and Planning Departments are working on this enforcement effort to coordinate all compliance issues and provide complete information to property owners.

SACRAMENTO STREET ASSOCIATION QUESTIONNAIRE AND SURVEY

We appreciate your concern with the effects of the Sacramento Street enforcement effort on psychotherapists, psychotherapy patients and Sacramento Street businesses. It was, in fact, the City's concern for businesses and residents that led to the adoption of the neighborhood commercial zoning controls. And, of course, it is the City's concern for the welfare and safety of all its residents which directs us to enforce the life/safety requirements of the Building Code.

We had the opportunity to see the questionnaire (see attached) on which you based the facts in your letter. Although we have absolutely no doubt your intentions were both reasonable and sincere, many of the questions and statements in the questionnaire were inaccurate. These inaccuracies likely resulted in answers which do not accurately reflect any effects that may result from enforcement of existing laws on Sacramento Street.

The questionnaire (and cover letter with it) characterized the enforcement effort as a "downzoning". On the contrary, there is no downzoning proposed. The Planning Department is enforcing existing legislation which was passed in 1987 -- legislation which originated at the request of neighborhood residents and merchants and which was the subject of lengthy public hearings. The questionnaire solicited cost estimates of businesses lost due to "800 psychotherapists and their clients" leaving Sacramento Street. The program includes only 18 small-scale two- and three-story buildings. In most cases only one or two of the upper stories of the buildings are at issue. It appears a more reasonable estimate might be roughly 150 psychotherapists, assuming one therapist for every upper-story room (excluding kitchens and bathrooms) and also assuming none of these properties is legalized under Section 179 to allow office use (itself an unlikely prospect). We are interested, however, in obtaining a copy of your data from the survey for the City's consideration.

It appears there was also no recognition in the questionnaire that if the buildings revert

from their illegal office use back to their legal residential use, 45 residential units would be reoccupied. Current census data tell us that this would amount to 115 full-time residents, not to mention guests and visitors. These residents and their guests would be visiting neighborhood businesses at night and on weekends as well as during the day.

SUMMARY

As mandated by legislation adopted by the Board of Supervisors, enforcement of the City's zoning and Building Code regulations benefits all segments of the neighborhood and City. In this particular enforcement effort, we began notifying all property owners in the program area in March of this year with notice of apparent violation of City codes to provide them ample opportunity to voluntarily come into compliance with City Codes. Any necessary legal action would additionally involve notice to any leaseholders whose interests in the properties are recorded against the property titles.

I hope the information I have provided addresses your concerns and clears up any misunderstandings there might have been about the Sacramento Street enforcement effort. If our Department can offer any further information or answer any other questions for your organization, I invite you to contact Irene Nishimura at 558-6358, who is the planner coordinating this program, or Mary Gallagher at 558-6388, who manages the Planning Department's enforcement division. You may also want to contact Inspector Alex Fong at 558-6204, who is the Housing Inspector for this area, or Peter Bums, Chief Housing Inspector, at 558-6214, both of whom are working with us in this enforcment effort.

Sincerely,

Lucian R. Blazej
Director of Planning

LB:MEG:gwf\Sacto Merchants
Attachments

cc: PHAN
David Fox, City Attorney's Office
Louise Renne, City Attorney
Peter Bums, Housing Inspection Division
Larry Litchfield, Bureau of Building Inspection
Robert Passmore, Zoning Administrator
Supervisor Angela Alioto

There are many different categories of zoning rules. The most common categories that apply in Neighborhood Commercial Districts are listed and explained below. Each explanation is followed by a list of the **primary** Code Sections that deal with the category. (The Zoning Information Counter has a summary sheet of all the NC rules.)

*There is an **INDEX** at the back of volume II of the Planning Code which should help you find these categories and the rules that apply to your property and/or project. We are in the process of updating the index to make it more useful.*

Land Use

Land use refers to the activities that take place on a lot. There are about 25 separate ***use categories*** in the portions of the Planning Code explaining Neighborhood Commercial Districts (NCDs). Examples run from small self-service restaurants to movie theaters to residential uses (ie., apartments, flats and houses).

Land ***use tables*** in the Code list all of the uses in the various districts. In the NCD tables (which are printed in ***Article 7*** of the Code),

P = a permitted use,
C = a conditional use (that is, approvable by the City Planning Commission after a public hearing),
(blank space) = a use that is not permitted,
= reference to a special regulation found at the end of the table.

NC-2 Zoning Control Table

Zoning Category	Controls by Story		
	1st	2nd	3rd+
Bar	P		
Medical Service	P	P	
Auto Gas Station	C		

Each use is either permitted, requires conditional use or is not permitted on ***each floor*** of any building in each district. For example, in the chart above, in an NC-2 zoning district, a bar would be permitted on the first floor or below, a medical service would be permitted on the second floor and below, and an automotive gas station would be allowed at the ground story by conditional use approval.

To find out which use table you need to look at, go to the Code Index and look up the zoning district and the subheading "regulations generally" (for example, "NC-2, regulations generally...711.1"). The table following the regulation description contains all of the district rules. Some uses can also be considered "temporary" or "accessory" to another use (see especially Section 703.2).

To find out whether the ***existing use on the property*** conforms to official City records, you can order a ***building permit history*** and **Certificates of Final Completion (CFCs)** from the Bureau of Building Inspection (Room 305 at 450 McAllister Street).

Master Plan Policies

Commerce and Industry Element

1. Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

2. Maintain and enhance a favorable business climate in the City.
3. When displacement does occur, attempt to relocate desired firms within the City.
4. Ensure and encourage the retention and provision of neighborhood-serving goods and services in the City's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.
5. Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.
6. Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of existing affordable housing and needed expansion of commercial activity.
7. Encourage the location of neighborhood shopping areas throughout the City so that essential retail goods and personal services are accessible to all residents.
8. Regulate uses so that traffic impacts and parking problems are minimized.
9. Support locally initiated efforts to improve the visitor trade appeal of neighborhood commercial districts.

Master Plan Policies

Residence Element

1. Restrict the conversion of housing in commercial and industrial areas.
2. . Promote and support voluntary housing rehabilitation.
3. Use the City's financial powers and resources to reduce the cost and increase the supply of low and moderate income housing.
4. Safeguard tenants from excessive rent increases while assuring landlords fair and adequate rents.
5. Ensure that office developments and higher educational institutions assist in meeting the housing demand they generate.
6. Allow appropriate neighborhood-serving commercial activities in residential areas.
7. Provide adequate rental housing opportunities.
8. Minimize relocation hardship and displacement caused by the demolition or conversion of housing.
9. Permit displaced households the right of first refusal to occupy any replacement housing units.

Items 6 and 7 - Files 200-93-3 and 200-93-4

Items: Item 6, File 200-93-3 is a hearing to consider the need for and installation of public toilets.

Item 7, File 200-93-4 is a hearing to consider the plan by the Department of Public Works to solicit bids to install public toilets in San Francisco. This item was transferred to the Economic Vitality and Social Policy Committee from the Government Efficiency and Labor Committee.

Description: The Budget Analyst's report regarding public toilets for the May 5, 1993 Government Efficiency and Labor Committee Meeting is attached.

Memo to Government Efficiency and Labor Committee
May 5, 1993 Government Efficiency and Labor Committee Meeting

Item 17 - File 200-93-4

1. This item is a hearing to consider the plan by the Department of Public Works to solicit bids to install public toilets in San Francisco.

2. On March 10, 1993, the Department of Public Works (DPW) requested proposals from contractors for providing public toilets at 27 sites throughout the City (the Attachment identifies the proposed locations for the 27 public toilets). It is intended that there would be a charge of $0.25 for each public toilet usage, except special free tokens would be available for the homeless. A special plastic card would be available for the wheelchair bound to provide free access to the public toilets. The contractor would receive the proceeds from the $0.25 usage charge and be responsible for the distribution of the special tokens and the plastic cards.

3. In its formal Request for Proposal (RFP), DPW advises that the City would allow the selected contractor to install advertising kiosks throughout the City to defray the cost of furnishing, installing, operating and maintaining the public toilets. The ratio of advertising kiosks to public toilets would be an important criteria of the City's selection process in awarding the contract for public toilets.

4. According to DPW, the purpose of this Public Toilet Program is to contract with a private firm to install and maintain public toilets at designated areas of the City, utilizing the $0.25 fee to be charged and advertising as a means to defray capital and operating costs. The contractor would keep 100 percent of the revenue from both the $0.25 fee and the advertising from the kiosk and public toilet display panels. The program has been developed at the request of the Mayor's Office in response to concerns about the lack of sufficient public toilet facilities. Because the City lacks sufficient funds to purchase and adequately maintain public toilets, the selected contractor would install and maintain the toilets and kiosks at no, or "minor", cost to the City, and reimburse the City for any administrative and public information costs associated with the program. According to Mr. Jacob Szeto of DPW, a "minor" cost to the City might occur if, in negotiating the number of kiosks permitted as part of the total Public Toilet Program, the City decides to reduce the number of kiosks to be installed, which may result in additional offsetting costs to the City. Mr. Szeto could not estimate such costs.

5. The contract to install and maintain public toilets would provide for a term of 20 years from the date it is signed by the City. At the end of 20 years, the City may elect to either have the contractor remove, without cost to the City, all of the public toilets and restore the affected sidewalk and other areas to a safe and finished condition, or to renew the existing agreement. Currently, the RFP does not mention the removal of the kiosks at the end of 20 years.

6. Each bidder must submit a $25,000 bid security to be retained by the City even if the proposal is withdrawn for any reason. This $25,000 will be retained by the City as the contractor's Year One payment representing an annual fee to reimburse the City for its administrative and public information costs associated with the Public Toilet Program if the bidder is awarded the contract. Within three days after notification of contract award, the contractor shall submit to the City (1)

a $2 million performance bond to be held by the City until all of the agreed upon numbers of toilets and kiosks have been installed, and (2) an irrevocable letter of credit valued at $350,000 for faithful performance to be held by the City throughout the life of the contract.

7. From the second year of the contract through the 20th year of the contract, the contractor would pay the City a $25,000 minimum annual fee, subject to increase, if any, based on the annual change in the Consumer Price Index (CPI), in order to cover the City's administrative and public information costs associated with this program for subsequent years. If the City's costs exceed $25,000, the City's General Fund would be obligated for this additional cost. However, Mr. Szeto advises that current estimates for administrative and public information costs would probably not exceed $25,000, particularly after the first year when most of the public information necessary to publicize the program will have been completed.

8. According to the RFP, there would be a minimum of 27 public toilet site locations. This number was based on initial economic surveys that identified a realistic minimum number of toilets that needed to be installed in order to attract worthwhile bid proposals. The 27 public toilet site locations were compiled by DPW based on recommendations provided by the Mayor's Office, Recreation and Park Department, the Port Commission and DPW. However, the City reserves the right to change, add or delete any locations without giving reasons for such change, additions or deletions. Also the City may expand the required minimum number of 27 public toilet sites if public acceptance of these public toilets is positive.

9. The contractor would furnish, install, operate and maintain public toilets and advertising kiosks in the ratio prescribed in the contractor's bid at no cost to the City.

10. The contractor's response to the City's RFP must address the following design and appearance issues:

- Is the exterior design of the public toilets and advertising kiosks compatible with the neighborhood surroundings?

- What amenities and conveniences are integrated into the public toilet design?

- How will the public toilets comply with the Federal Americans with Disabilities Act and related State regulations?

- What security devices are incorporated to protect public toilet users?

- What methods and materials are use to minimize graffiti on the public toilets?

- Do the public toilets and/or advertising kiosks have the ability to incorporate other street furniture such as benches and bus shelters?

- What are the size and number of advertising panels incorporated with each public toilet and/or advertising kiosk, and what proportion of the advertising space would be allocated for public service messages?

- Can the public toilet and/or advertising kiosk accommodate sub sidewalk basements? The installation of the public toilets may require the use of up to three feet of vertical space beneath the sidewalk for plumbing and electrical connections which is currently occupied with other uses. The installation of the public toilets would have to accommodate these other existing uses.

11. The contractor's bid proposal would need to satisfy questions pertaining to operations and maintenance as follows:

- How will the toilets and kiosks be operated and what methods would be used to maintain them?

- How often will public toilets and/or advertising kiosk be cleaned and maintained?

- What materials would be used for public toilet construction that provides maximum durability and minimizes maintenance without detracting from the surrounding environment?

- What is the maximum response time needed for repair or replacement of damaged public toilets and/or advertising kiosks?

- How reliable are public toilet hardware and amenities?

- What are the proposed hours of operation for the public toilets?

- How will access be provided for people with disabilities?

- How will complaints be handled regarding repair and lack of maintenance of public toilets and/or advertising kiosks?

- What kind and frequency of maintenance logs, financial reports and income statements will be furnished to the City for review?

12. The contractor's bid proposal would need to satisfy questions pertaining to economic factors as follows:

- Where has the contractor provided public toilets under conditions similar to San Francisco's proposed request?

- What would be the ratio of advertising kiosks to public toilet sites?

- How soon can the contractor install the required number of public toilets?

- Where will the proposed advertising kiosks be located?

- Does the contractor demonstrate an ability to furnish, operate and maintain the required number of public toilets for the proposed 20-year life of the proposed contract?

- What would be the costs (including any "minor" costs) if the City decided to limit the number of advertising kiosks to 100?

- What would be the costs if the City decided to pay for the entire service without using advertising kiosks?

- What provisions does the proposal contain for hiring San Francisco residents, homeless persons, etc., to improve the City's economy?

- What financial reports/records/audit provisions will be provided to the City to assure the continuing financial health of the contractor?

13. Prior to the installation of the public toilets and advertising kiosks, the contractor must submit to DPW a location drawing and $350 permit fee for each public toilet and advertising kiosk site. In conjunction with the DPW approval, the contractor must obtain approvals from the Art Commission, Planning Commission, Human Rights Commission, San Francisco Port Commission (if within Port jurisdiction), Recreation & Park Commission (if within or fronting Park property), Bay Conservation and Development Commission (if within 100' of the Bay), Board of Supervisors and other affected agencies.

14. The RFP encourages bidders to hire MBE/WBE firms for work relating to installation, operation and maintenance of public toilets. Each bidder must demonstrate that they have made a good faith effort to meet MBE/WBE goals. The RFP has set the following sub consulting goals for MBE/WBE participation:

Minority Business Enterprises (MBE)	20 percent participation
Women Business Enterprises (WBE)	2 percent participation

Comments:

1. The RFP specifies that after 20 years the City may elect to have all public toilets removed by the contractor. Mr. Szeto advises that DPW inadvertently omitted the option to remove the kiosks which was their intention to include as well as the toilets. Mr. Szeto reports that the option to remove both the toilets and the kiosks will be incorporated into the final contract agreement dealing with the Public Toilet Program.

2. Mr. Szeto advises that two firms have shown interest in submitting proposals to implement the City's Public Toilet Program. These are JC Deaux, a French company that has installed similar facilities in several European countries, and Gannett Outdoor Shelter, which would form a joint venture with Bel & Tom, an

Israeli firm. Mr. Szeto reports that JC Deaux will display (but not hooked-up for operational use) its public toilet beginning next week at a public site still to be determined by the City. The joint venture of Gannett and Bel & Tom have not yet advised DPW of their intention to provide a similar display or demonstration.

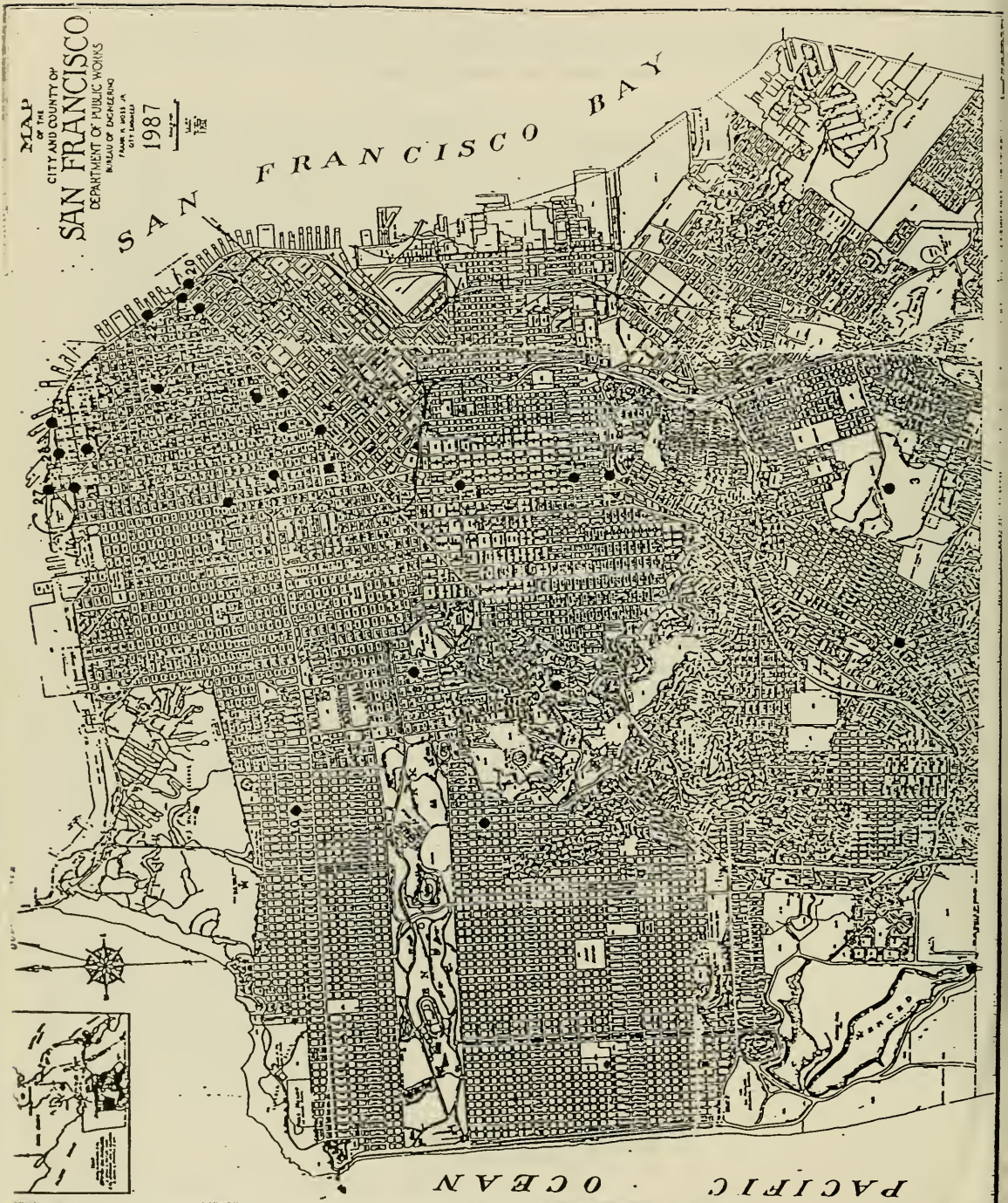
3. As indicated above, the selected contractor who installs and maintains the public toilets and the kiosks would receive 100 percent of the revenue from both the $0.25 toilet usage fee and the advertising from the kiosk and public toilet display panels. No estimates of the annual revenues from the usage fees and the advertising revenues were provided to the Budget Analyst. Mr. Szeto advises that it will be the City's position to minimize the number of kiosks that will be needed to offset the contractor's cost to install and maintain the public toilets over the proposed 20 year life of the contract. A decision as to the number and location of public toilets and kiosks to be installed and maintained will occur after the bid proposals are received on May 10, 1993 and negotiations with potential contractors have been completed thereafter.

4. As indicated above, the final agreement for the installation and maintenance of the subject public toilets and kiosks is to be submitted to the Board of Supervisors for their review and approval.

Proposed Locations for Public Pay Toilets

(See Corresponding Numbers on Enclosed Map)

1.) Lake Merced (South End)
2.) Mission and Geneva
3.) McLaren Park
4.) Mission and Army
5.) Mission and 24th
6.) Twin Peaks Overlook
7.) Judah and 9th
8.) Haight and Masonic
9.) Mission and 16th
10.) 6th and Clement
11.) Civic Center Plaza
12.) Market and 7th
13.) MaCauley Park (Larkin and O'Farrell)
14.) Boedecker Park (Jones and Eddy)
15.) Market and Powell
16.) Geary and Powell
17.) California and Van Ness
18.) Grant and Columbus
19.) Market and California
20.) Pedestrian Promenade, South of the Agriculture Building
21.) Justin Herman Plaza
22.) Marginal Wharf at Pier 7
23.) Fisherman's Wharf (Near Pier 41)
24.) Bay and Taylor
25.) Beach and Hyde
26.) Jefferson and Taylor
27.) Fisherman's Wharf (Near Hyde Street Pier)


MAP
OF THE
CITY AND COUNTY OF
SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF ENGINEERING
1987
SAN FRANCISCO BAY
PACIFIC OCEAN

Item 8 - File 121-93-3

1. The proposed ordinance would amend Chapter VIII, Part II, Article 15.1 of the San Francisco Administrative Code (Police Code) by amending Sections 1060 and 1060.22 thereof relating to permit and fee requirements for places offering informal entertainment.

2. Under Section 1060.1 of the Police Code, a permit must be obtained from the Chief of Police to own, conduct, operate, maintain or to participate therein in any place of entertainment in the City and County of San Francisco.

3. Section 1060 of the Police Code includes but is not limited to the following definitions:

(1) Section 1060 (a) defines a "place of entertainment" as all premises to which patrons or members are admitted which serve food and/or beverages, including but not limited to alcoholic beverages, for consumption on the premises and where there is "entertainment" as defined in Section 1060 (b), (c), (e) and (f).

The proposed ordinance would amend Section 1060 (a) to delete reference to Section 1060 (f). See point (4) below regarding Section 1060 (f).

(2) Section 1060 (b) defines "entertainment" as any act, play, review, pantomime, scene, song and/or dance act, or poetry recitation conducted or participated in by any professional entertainer on premises to which patrons or members are admitted. Under this Section, "entertainment" is also defined to include the playing of a musical instrument or the playing of recorded music by a disc jockey on the premises.

The proposed ordinance would amend the latter definition of "entertainment" included in Section 1060 (b) to read "the playing of a musical instrument by any professional entertainer", so that the playing of a musical instrument is defined as "entertainment" only when performed by a professional entertainer.

(3) Under Section 1060 (d), "professional entertainer" is currently defined as a person who engages in the presentation of entertainment for livelihood or gain.

The proposed ordinance would amend Section 1060 (d) to define "professional entertainer" as a person who is compensated for his or her performance, in order to clarify that only those persons who are paid for their performance would be considered to be professional entertainers.

(4) Section 1060 (f), currently defines "informal entertainment" as any act, play, review, pantomime, scene, song and/or dance act, or poetry recitation conducted or participated in by any nonprofessional person or persons on premises to which patrons or members are admitted.

The proposed ordinance would delete Section 1060 (f) entirely, so that any of the above activities that are performed by a nonprofessional person at a place of entertainment would not require an entertainment permit.

4. Section 1060.22 stipulates that every permittee who conducts, permits or assists in conducting or permitting any "entertainment", as defined in Section 1060 (b), (c) and (f), on any permitted premise must pay the Tax Collector an annual license fee, which is payable in advance.

The proposed ordinance would delete reference to Section 1060 (f), in its entirety, as noted above.

5. The proposed amendments would provide that an entertainment permit would be required for all places of entertainment where any act, play, review, pantomime, scene, song and/or dance act, or poetry recitation is conducted or participated in by a person who is compensated for his or her performance. Currently, an entertainment permit is required for all places of entertainment where any act, play, review, pantomime, scene, song and/or dance act, or poetry recitation is conducted or participated in by a person who is or is not compensated for his or her performance.

Comments

1. The Police Department advises that the initial application fee for an entertainment permit is $638 and the annual permit fee is $196. According to the Police Department, for this fiscal year, a total of 316 entertainment permits were renewed through March, 1993 for a total of $61,936 ($196 x 316) in permit revenue and in addition a total of 24 new entertainment permits were issued for a total of $20,016 ($638 x 24 plus $196 x24) in permit revenue, bringing the total number of permits to 340 for a total revenue amount of $81,952. Based on historical experience, the Police Department projects that the total annual revenue from entertainment permits for FY 1992-93 will be approximately $86,869. The Tax Collector reports that a total of $80,354 in entertainment permit revenue was received by the City in FY 1991-92.

2. Sections 1060(c) and 1060(e) would not be changed by the proposed ordinance.

3. The proposed ordinance was drafted as a means of exempting poetry readings of noncompensated poets from the criteria for requiring an entertainment permit. Currently, under Section 1060, poetry readings conducted in a place of entertainment with or without the poet being compensated would require an entertainment permit. Under the proposed ordinance, poetry readings conducted in a place of entertainment would require an entertainment permit only if the poet is compensated.

Recommendation

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Achtenberg
Supervisor Shelley
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

.238
5-93

CALENDAR
REGULAR MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT
MAY 24 1993
SAN FRANCISCO
PUBLIC LIBRARY

TUESDAY, May 25, 1993 - 2:00 p.m. City Hall, Room 228

Members: Supervisors Kennedy, Kaufman, Achtenberg

Clerk: Joni Blanchard

1. File 224-92-2. Hearing to consider problems faced by small businesses in complying with zoning and building code requirements and how this affects the viability of retaining small businesses in San Francisco's neighborhood commercial districts. (Supervisor Alioto)

   (Chair may entertain a motion to continue this item.)
   (Consideration continued from 5/11/93)

   ACTION:

2. File 115-93-3.1. [Zoning and Building Regulation Enforcement] Resolution urging the Mayor and Chief Administrative Officer to urge the City's zoning and building enforcement departments and officials not to take final or disruptive actions against persons in the Sacramento Street Corridor who may be in violation of the City's current zoning and building regulations until there has been an opportunity to consider any proposed amendments to the zoning and building regulations that may be considered for review and possible approval. (Supervisor Alioto)

   (Chair may entertain a motion to continue this item.)
   (Consideration continued from 5/11/93)

   ACTION:

3. File 115-93-3. [Low Density Professional, Non-Retail Uses] Ordinance amending Planning Code Section 179 to provide that low-density professional, non-retail uses established in the Sacramento Street Neighborhood Commercial District prior to effective date of Ordinance No. 69-87 will be deemed to be a permitted use if specified requirements are met, and adopting findings pursuant to Section 101.1 of the Planning Code. (Supervisor Alioto)

   (Chair may entertain a motion to continue this item.)
   (Consideration continued from 5/11/93)

   ACTION:

4. File 13-93-10. [Federal Funding for Local Public Service Jobs] Resolution endorsing a federal jobs program which would appropriate new federal funds to create new public service jobs and would guarantee every adult the opportunity to work at a living wage. (Supervisor Kennedy)

   (Consideration continued from 4/27/93)

   ACTION:

Economic Vitality & Social Policy Committee
Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

D 0132

City Librarian
Public Library
Civic Center

5/25/93
2

CITY AND COUNTY OF SAN FRANCISCO

City Report

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

May 21, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: May 25, 1993 Economic Vitality and Social Policy Committee Meeting

Items 1, 2 and 3 - Files 224-92-2, 115-93-3.1 and 115-93-3

Note: These items were continued at the May 11, 1993 Economic Vitality and Social Policy Committee meeting.

Departments: Department of City Planning
Department of Public Works, Bureau of Building Inspection

Items: Item 1 – File 224-92-2: Hearing to consider the problems faced by small businesses in complying with zoning and building code requirements and how this affects the viability of retaining small businesses in San Francisco's neighborhood commercial districts.

Item 2 – File 115-93-3.1: Resolution urging the Mayor and Chief Administrative Officer to urge the City's zoning and building enforcement departments and officials not to take final or disruptive actions against persons in the Sacramento Street Corridor who may be in violation of the City's current zoning and building regulations until there has been an opportunity over the next few months to consider any proposed amendments to the City's zoning and building regulations that may be considered for review and possible approval.

Item 3 – File 115-93-3: Ordinance amending Section 179 of the San Francisco City Planning Code to provide that low-density, professional, non-retail uses established in the Sacramento Street Neighborhood Commercial District prior to the effective date of Ordinance No. 69-87 (approximately April 22, 1987) will be deemed to be a permitted use if specified requirements are met, and adopting findings pursuant to Section 101.1 of the City Planning Code.

Background:

The Department of City Planning, in a letter to the Sacramento Street Association of Merchants, Professionals and Property Owners (the Sacrament Street Association), dated September 3, 1992 (Attachment I), addresses the course of events that lead to the development of neighborhood commercial districts (NCD) in general and cites some of the particular manifestations of those zoning controls as they apply to the Sacramento Street Neighborhood Commercial District. The letter also addresses the City's current code enforcement efforts on Sacramento Street and comments on the estimated number of businesses and the cost estimates cited by the Sacramento Street Association in a Business Impact Survey conducted by the Association and published in a letter to the Director of Planning, dated August 24, 1992.

The Sacramento Street NCD was established by legislation adopted in 1987. The District is located in the Presidio Heights neighborhood in north-central San Francisco and extends along Sacramento Street between Lyon and Spruce, a total of five blocks in length. According to the Planning Code, the Sacramento Street District controls are designed to promote adequate growth opportunities for development that is compatible with the surrounding low-density residential neighborhood and that special controls are designed to protect existing neighborhood-serving ground-story retail uses. The Planning Code also states that new medical service offices are prohibited in all stories and that personal and business services are restricted to the ground-story and prohibited on upper stories. The Sacramento Street Neighborhood Commercial District description concludes with the statement that "Housing development in new buildings is encouraged above the second story. Existing residential units are protected by limitations on demolitions and prohibitions of upper-story conversions."

Zoning for the City's 16 named neighborhood commercial districts and four generic neighborhood commercial districts identifies a full range of land uses and specifies not only which uses are permitted, permitted by conditional use, and not permitted in each of the districts but also specifies how

the various uses are controlled on each floor of buildings in each district. According to the Planning Department, this system of zoning tailors controls to the unique characteristics and needs of the districts, as identified in the Planning Department's comprehensive study of neighborhood commercial areas. Categories of use include retail stores, bars, restaurants, medical offices, other business offices, and financial services.

Although many variations of the controls exist, in most districts, retail stores are permitted on the ground floor; offices, restaurants, bars and financial services are either permitted or permitted by conditional use on the ground floor; retail uses and/or offices are permitted by conditional use on the second floor and are not permitted on the third floor or above; residential uses are permitted on all floors and residential conversions (to non-residential uses) are either permitted only by conditional use or are not permitted on or above the second floor.

Attachment II is an extract of the Planning Code that explains how to use Zoning Control Tables to determine permitted land uses within a zoning district. The Zoning Control Table shown below that was developed for this report by the Department of City Planning shows the controls for the various types of commercial and residential activity as they apply to Sacramento Street NCD.

Sacramento Street Zoning Control Table

Zoning Category	Controls by Story 1st	2nd	3rd and Higher
Retail Store	P	C	N
Bar	N	N	N
Full-service Restaurant	C	N	N
Medical Service	N	N	N
Other Business Office	C	N	N
Residential Use	P	P	P
Residential Conversion	P	N	N

KEY P = a use that is permitted.
C = a conditional use (that is approvable by the City Planning Commission).
N = a use that is not permitted.

The City's Master Plan is the basic document guiding all development and zoning within the City. The Master Plan contains certain "objectives" to guide development within the City and "policies" to achieve those objectives in various Master Plan elements (such as the Land Use, Open Space, and Noise elements). We have included in Attachment III policies from the Commerce and Industry and the Residence Elements of the Master Plan, selected by the Department of City Planning as relevant factors that must be considered when considering changes to zoning controls.

The voters of the City passed Proposition M, "Planning Initiative," in November of 1986. Proposition M established eight "Priority Policies" that are to be used as the basis upon which inconsistencies in the Master Plan are to be resolved. The eight Priority Policies are as follows:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses be enhanced;

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

3. That the City's supply of affordable housing be preserved and enhanced;

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

7. That landmarks and historic buildings be preserved; and,

8. That our parks and open space and their access to sunlight and vistas be protected from development.

Proposition M also provides that "Prior to issuing a permit for any project or adopting any legislation which requires an initial study under the California Environmental Quality

Act, and prior to issuing a permit for any demolition, conversion or change of use, and prior to taking any action which requires a finding of consistency with the Master Plan, the City shall find that the proposed project or legislation is consistent with the Priority Policies established above."

Description: The three items reported on herein are either (1) concerned with the effects of enforcing the City's current zoning provisions in Neighborhood Commercial Districts or (2) seek to provide some form of relief to owners of buildings containing illegal commercial units in order to diminish the economic effects to the City and to those owners of enforcing the currently existing zoning laws.

Item 1 - File 224-92-2

This item is a hearing to consider the problems that owners of buildings with illegal commercial units in the City's neighborhood commercial districts face in complying with zoning and building code requirements and how these problems affect the viability of retaining small businesses in the City's neighborhood commercial districts.

The Sacramento Street Neighborhood Commercial District, as do all of the City's Neighborhood Commercial Districts, contains a number of former residential units that have been illegally converted to commercial uses, such as to professional office uses. The Department of City Planning has identified a total of 18 buildings in the Sacramento Street Neighborhood Commercial District that contain approximately 45 illegal commercial units, providing office space for as many as 150 professional businesses.

Many of the buildings in the Sacramento Street Neighborhood Commercial District, though of no more than three stories and constructed to contain three units, are spacious buildings. Some of the individual units are large enough to accommodate four or more professional offices in each unit. Thus, building owners are able to produce much more revenue because the rent for several commercial units is usually higher than for a single residential unit. However, building owners converted many of the units to commercial uses without obtaining building permits. Owners of buildings containing illegal commercial units, who have been served with a Notice of Violation by the City for such use, have the following options under the City's Planning Code:

1. Convert the unit back to its legal residential use.

2. If the currently illegal use was either a permitted use or a conditional use as specified in the Planning Code during the period when it was converted to such use, then the building owner may obtain the necessary permits and perform the work necessary to convert the unit to a non-conforming commercial use, as provided in Section 179 of the Planning Code.

Item 2 - File 115-93-3.1

This item is a resolution urging the Mayor and Chief Administrative Officer to urge the City's zoning and building enforcement departments and officials not to take final or disruptive actions against persons in the Sacramento Street Corridor who may be in violation of the City's current zoning and building regulations until there has been an opportunity over the next few months to consider any proposed amendments to the City's zoning and building regulations that may be considered for review and possible approval.

In a letter to the President of the Board of Supervisors, dated April 27, 1993, concerning the City Planning Department's code enforcement efforts on Sacramento Street, the Director of Planning stated that "all but three property owners have taken steps to legalize their properties-- some have chosen to legalize the existing commercial uses and others have chosen to reconvert to housing." Mr. Blazej further states that during the expected two to three month period during which amendments to the Building Code may be considered, the Planning Department would not instruct the City Attorney to file injunctions against any of the property owners who are showing a good faith effort to bring their properties into compliance. Filing a building permit application to legalize or convert existing uses is considered a good faith effort.

Item 3 - File 115-93-3

This item is an ordinance to amend Section 179 of the City Planning Code to provide a three-year extension of the time allowed for low-density, professional, non-retail uses located in the Sacramento Street Neighborhood Commercial District to comply with City Planning Code requirements. The proposed three-year extension would be allowed if the low-density professional, non-retail uses were in place prior to the effective date of Ordinance No. 69-87 (approximately April 22, 1987) but the required permits had not been obtained. Such low-density professional, non-retail uses would be deemed to

be a permitted use if the following specified requirements (included in the proposed amendment of Section 179) are met:

- An application is filed for all permits necessary to bring the use into compliance with applicable codes
- All necessary permits are granted
- All work which is required for code compliance under all applicable codes is completed by December 31st of the third year of the effective date of Ordinance No. 37-92, or December 31, 1995 (however, the time for completion of all work required for compliance with all applicable codes may be extended for an additional year should delays be caused by a government agency or by legal action)
- The use is a low-density, professional, non-retail use including psychologists, psychiatrists, acupuncturists, speech therapists, architects, attorneys, accountants, insurance representatives, and other professionals with one-on-one consultation, counseling, therapy or treatment but excluding professional services rendered to the consumer on a walk-in basis, medical offices, clinics and laboratories.

Comments:

1. Mr. Larry Litchfield, Superintendent of the Bureau of Building Inspection, has provided the Budget Analyst with a memorandum dated May 5, 1993, in which he suggests that the issue of establishing a light-duty office use category in the Building Code be assigned to the Code Advisory Committee, as identified in Section 216 of the San Francisco Building Code. Mr. Litchfield states that with respect to amending the Building Code, such amendments would have to conform to the minimum standards of the State Building Code, which cover such provisions as structural floor loading, exiting, fire separations, fire sprinkler requirements, and type of construction. However, according to Mr. Litchfield, seismic retrofit provisions are prescribed by the local building code, and therefore, the seismic upgrade requirements in Section 104 of the San Francisco Building Code can be adjusted by the Board of Supervisors through the code change process.

2. As an indicator of the value of the 18 buildings included in the City's Sacramento Street code enforcement program, Mr. Stephen Dunbar, Chief Assistant Assessor, estimates that a two-story building in the Sacramento Street Neighborhood Commercial District zoned for two residential dwellings over a garage and basement would have an assessed value of approximately $600,000. Mr. Dunbar estimates that the same

structure with illegal commercial units would have an assessed value of approximately $800,000. One seven-unit building of the 18 buildings included in the City's Sacramento Street Code Enforcement Program was sold to a new owner in 1989 at a price of approximately $2,200,000.

3. Mr. Dunbar has stated that professional office space typically rents for from one-third to one-half more than does residential space in a given building and that accordingly a building with primarily commercial uses would sell from one-third to one-half more than would a similar residential building. Mr. Dunbar reports that large residential flats, of the type found on Sacramento Street, would rent for an estimated $1,400 monthly and that space for a professional office in the area would rent for at least $1.50 per square foot per month.

4. Mr. Peter Burns of the Bureau of Building Inspection has provided the Budget Analyst with information concerning the construction costs of converting units. According to Mr. Burns, the cost of converting an illegal commercial unit back to its legal residential use is relatively low, from several hundred dollars to $2,000 or $3,000. However, Mr. Burns states that the cost of legalizing an illegal commercial unit typically costs from $60,000 to $100,000 and that the main elements of such construction include seismic reinforcing, exiting, fire rating, and energy conservation requirements. Mr. Burns has also stated that the cost per unit of such conversions generally decrease when more than two units are being converted.

5. Mr. Richard Sullivan, Deputy Tax Administrator, has identified 78 upper floor (other than the ground level or first floor) businesses in the eighteen buildings containing illegal commercial units in the ongoing Sacramento Street Code Enforcement Program, referred to in Attachment I. According to Mr. Sullivan, of those 78 businesses, only 2 businesses are paying either gross receipts or payroll taxes, for a total of $6,100, and 31 businesses are paying the Business Registration fee of $150, for a total of $4,650. Mr. Sullivan reports that the businesses cited would also be required to pay the City's Unsecured Property Tax, at a rate of $1.15 per $100 of assessed unsecured property.

6. Mr. Dunbar further reports that the Assessor's Office is allowed to assess the construction value of work performed to convert uses in buildings. Thus, if the assessed value of a building were to increase by $150,000 due to the conversion of two units, the property taxes on that unit would increase by

$1,725 on an annual basis, based on a tax rate of $1.15 per $1,000 of assessed valuation.

7. Ms. Mary Gallagher, Chief of Code Enforcement in the Department of City Planning, has provided the Budget Analyst with the following estimates on the number of legal and illegal commercial uses in the City's neighborhood commercial districts:

	Number
No. of Buildings	8,500
No. of Commercial Units within the 8,500 buildings	18,700
No. of Illegal Commercial Units within the 8,500 buildings	2,800

8. Determining the economic impact on the City of enforcing the provisions of the Planning Code in all neighborhood commercial districts throughout the City is complex. Such an endeavor requires predicting the behavior of building owners and building occupants as they are faced with code enforcement decisions, as well as making estimates concerning the number of buildings, the number of owners, and the number of building occupants that would be affected. Further, estimates and assumptions concerning costs of construction, the availability of suitable alternative office space, the time required to perform the construction and a host of other variables affect the choices that would be made. Listed below are some of the factors that would require consideration in determining the economic impact on the City of enforcing the provisions of the Planning Code in all neighborhood commercial districts throughout the City:

- How many buildings containing illegally converted units are there and how many businesses do they represent?

- How many of the illegally converted buildings and units would actually be subject to City code enforcement actions on an annual basis?

- How many of the illegal commercial units subject to code enforcement actions on an annual basis would legalize the commercial uses? How many would revert back to their legal residential uses?

- Of the units that reconvert to residential uses, where do the commercial tenants relocate?

- What are the possible actions that the City can take to optimize the relocation of businesses within the City? Would they be taken?

- How much revenue do the illegally converted businesses contribute to the City, directly and indirectly?

- How much revenue does the residential use of reconverted illegal uses contribute to the City?

- What is the cost to the City for fire, safety protection (for example, during a fire or subsequent to an earthquake) and other services provided to a property with an illegally converted business relative to a property with a legally converted business and relative to a property with a legally existing residential use?

8. Using the Planning Department's estimate of approximately 2,800 illegal commercial units in the neighborhood commercial districts in the City and estimating that those 2,800 illegal commercial units house 5,600 individual businesses, we estimate that the maximum amount of direct revenue to the City, if all 5,600 businesses pay the fees and taxes due to the City, would be approximately $1,979,200, determined as follows:

Type Tax or Fee	Average Amount	Number Included	Total Amount
Business Registration	$150	5,600	$840,000
Payroll or Gross Receipts	$3,050	144	439,200
Unsecured Property	$250	2,800	700,000
Total			$1,979,200

The above $1,979,200 estimate of maximum total revenue would represent the worst case revenue loss if all 5,600 business relocated outside of San Francisco or ceased doing business.

9. Notwithstanding the above "worst case" analysis, the Department of City Planning has indicated that approximately one-third of those building owners faced with the choice of legalizing their existing illegal commercial units or reconverting those units to residential users would choose to legalize the commercial unit. The Department has also indicated that most of the tenants of the units that are

reconverted to residential uses would relocate in San Francisco. However, the Budget Analyst has not obtained verifiable data indicating the choices that building owners or commercial tenants would make when faced with code enforcement and relocation alternatives.

Recommendation: The decisions to (a) urge the Mayor and the Chief Administrative Officer to urge the City's zoning and building enforcement departments and officials not to take final or disruptive actions against persons in the Sacramento Street Corridor who may be in violation of the City's current zoning and building regulations, until there has been an opportunity over the next few months to consider any proposed amendments to the City's zoning and building regulations that may be considered for review and possible approval and (b) amend the City Planning Code are policy matters for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Achtenberg
Supervisor Shelley
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Maher
Supervisor Migden
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

City and County of San Francisco
Department of City Planning

450 McAllister Street
San Francisco, CA 94102

September 3, 1992

Karen McChrystal
Sacramento Street Association of Merchants,
Professionals and Property Owners
3618 Sacramento Street
San Francisco, CA 94118

RE: Sacramento Street Enforcement Program

Dear Ms. McChrystal:

Thank you for your letter of August 24 (copy attached). Based on your comments, I believe there are some misunderstandings surrounding the City's code enforcement effort on Sacramento Street. I would like to take this opportunity to explain the program and address your concerns from the perspective of the Planning Department and the City's Planning Code.

HISTORY OF SACRAMENTO STREET ZONING CONTROLS

Beginning in 1978, the City Planning Department began a comprehensive study of the City's neighborhood commercial areas. The study was prompted at the request of both residents and merchants of these areas. In the study, we found that upper story residential units were being replaced with commercial uses. Although this trend fostered business growth, it also resulted in loss to the City's housing stock and attendant rise in housing costs. Notably, many of these housing units were subject to rent control. The loss of these units represented a loss of affordable housing. The new upper-story commercial uses also resulted in increased parking congestion.

In 1987, after several years of public testimony before both the City Planning Commission and Board of Supervisors, the City adopted new zoning (i.e., land use) controls to address these problems and issues. Preservation and protection of upper-story residential units was one of the primary purposes of the new zoning controls. Sacramento Street was among the areas that were rezoned.

In the Sacramento Neighborhood Commercial District, as legislated by the 1987 zoning controls, retail stores are permitted uses on the ground floor, require conditional use authorization on the second floor (that is, approval from the City Planning Commission after a public hearing), and are not permitted on the third floor or above in buildings within the district. Most other types of uses on the ground floor, such as nonmedical business offices, require conditional use authorization. New offices of any type are not permitted on the second floor or above. New medical offices are not permitted on any floor, including street levels. (One of

the reasons medical offices were distinguished from other types of offices was because they tended to draw more clients on a regular basis than many other office uses -- exacerbating parking problems -- and because in some districts, such as Sacramento Street, they were proliferating to the extent of limiting the range of neighborhood-serving uses.) The only uses for upper stories which do not require conditional use authorization are residential uses. These zoning rules apply to any new use -- that is, a proposed use not already legally in existence. Any uses which are legally in existence (that is, they were installed with a building permit), including medical offices, are allowed to remain. (These are known as "nonconforming uses.")

Along with the new 1987 controls is a provision, specifically Section 179, which permits the legalization of many commercial uses which had illegally replaced residential units prior to 1987. That is, these uses were installed without a building permit, prior to the adoption of the new zoning controls. Section 179 was recently extended for three years in order to provide property owners with additional time to legalize upper story commercial uses should they desire to do so. (While the Planning Code allows up to three years for owners to legalize these uses, in many cases there are also Building Code violations which must be corrected much sooner.)

What this legalization provision means is that not only can all legally operating (medical and nonmedical) offices remain along Sacramento Street, but many presently illegal offices can also remain if they are legalized under Planning Code Section 179. We should note that every illegal use along Sacramento Street may not qualify for consideration under Section 179; however, we believe that most properties would qualify. Final approval under the Section 179 program is subject to a property's conformance with all other City Codes, such as the life-safety provisions of the Building Code, conformance with the City's eight priority planning policies (Planning Code Section 101.1), and approval by the Planning Commission and/or Board of Permit Appeals (should any requests for discretionary review or permit appeal be filed).

ENFORCEMENT EFFORT ON SACRAMENTO STREET

The Planning Department is in the process of developing a city-wide program to address illegal conversions in neighborhood commercial districts. In part due to a request of the Presidio Heights Association of Neighbors (PHAN), the Department has initiated the city-wide effort with a district-oriented pilot program along three blocks within the Sacramento Street Neighborhood Commercial District. There are currently 18 buildings included in the program.

It appears that roughly 45 upper-story housing units were illegally replaced with office uses in these 18 buildings. In addition to violating the City's zoning regulations, these properties also violate the Building Code because they do not meet the minimum life-safety standards required of commercial occupancy. Simply explained, commercial occupancy requires seismic and fire protection at a higher level than low density housing. This is

because more people are likely to be in a commercial use than a flat during some periods and because visitors to commercial uses are less likely to be as familiar with the layout of the buildings (necessary for emergency exiting) than residents of a flat. The current state of many of the 18 properties relative to how they are being used amounts to a threat to the public health, safety and welfare of the neighborhood and the City.

It is the obligation of the Planning Department and Bureau of Building Inspection to have these 18 buildings brought into compliance with the Planning, Housing and Building Codes. In some cases this will mean legalizing illegal office buildings. In others this will mean replacing lost residential units. (Legalization of a commercial use in a formerly residential building triggers Building Code requirements which may be costly.) Representatives of both the Building and Planning Departments are working on this enforcement effort to coordinate all compliance issues and provide complete information to property owners.

SACRAMENTO STREET ASSOCIATION QUESTIONNAIRE AND SURVEY

We appreciate your concern with the effects of the Sacramento Street enforcement effort on psychotherapists, psychotherapy patients and Sacramento Street businesses. It was, in fact, the City's concern for businesses and residents that led to the adoption of the neighborhood commercial zoning controls. And, of course, it is the City's concern for the welfare and safety of all its residents which directs us to enforce the life/safety requirements of the Building Code.

We had the opportunity to see the questionnaire (see attached) on which you based the facts in your letter. Although we have absolutely no doubt your intentions were both reasonable and sincere, many of the questions and statements in the questionnaire were inaccurate. These inaccuracies likely resulted in answers which do not accurately reflect any effects that may result from enforcement of existing laws on Sacramento Street.

The questionnaire (and cover letter with it) characterized the enforcement effort as a "downzoning". On the contrary, there is no downzoning proposed. The Planning Department is enforcing existing legislation which was passed in 1987 -- legislation which originated at the request of neighborhood residents and merchants and which was the subject of lengthy public hearings. The questionnaire solicited cost estimates of businesses lost due to "800 psychotherapists and their clients" leaving Sacramento Street. The program includes only 18 small-scale two- and three-story buildings. In most cases only one or two of the upper stories of the buildings are at issue. It appears a more reasonable estimate might be roughly 150 psychotherapists, assuming one therapist for every upper-story room (excluding kitchens and bathrooms) and also assuming none of these properties is legalized under Section 179 to allow office use (itself an unlikely prospect). We are interested, however, in obtaining a copy of your data from the survey for the City's consideration.

It appears there was also no recognition in the questionnaire that if the buildings revert

from their illegal office use back to their legal residential use, 45 residential units would be reoccupied. Current census data tell us that this would amount to 115 full-time residents, not to mention guests and visitors. These residents and their guests would be visiting neighborhood businesses at night and on weekends as well as during the day.

SUMMARY

As mandated by legislation adopted by the Board of Supervisors, enforcement of the City's zoning and Building Code regulations benefits all segments of the neighborhood and City. In this particular enforcement effort, we began notifying all property owners in the program area in March of this year with notice of apparent violation of City codes to provide them ample opportunity to voluntarily come into compliance with City Codes. Any necessary legal action would additionally involve notice to any leaseholders whose interests in the properties are recorded against the property titles.

I hope the information I have provided addresses your concerns and clears up any misunderstandings there might have been about the Sacramento Street enforcement effort. If our Department can offer any further information or answer any other questions for your organization, I invite you to contact Irene Nishimura at 558-6358, who is the planner coordinating this program, or Mary Gallagher at 558-6388, who manages the Planning Department's enforcement division. You may also want to contact Inspector Alex Fong at 558-6204, who is the Housing Inspector for this area, or Peter Burns, Chief Housing Inspector, at 558-6214, both of whom are working with us in this enforcment effort.

Sincerely,

Lucian R. Blazej
Director of Planning

LB:MEG:gwf\Sacto Merchants
Attachments

cc: PHAN
David Fox, City Attorney's Office
Louise Renne, City Attorney
Peter Burns, Housing Inspection Division
Larry Litchfield, Bureau of Building Inspection
Robert Passmore, Zoning Administrator
Supervisor Angela Alioto

There are many different categories of zoning rules. The most common categories that apply in Neighborhood Commercial Districts are listed and explained below. Each explanation is followed by a list of the **primary** Code Sections that deal with the category. (The Zoning Information Counter has a summary sheet of all the NC rules.)

There is an INDEX at the back of volume II of the Planning Code which should help you find these categories and the rules that apply to your property and/or project. We are in the process of updating the index to make it more useful.

Land Use

Land use refers to the activities that take place on a lot. There are about 25 separate ***use categories*** in the portions of the Planning Code explaining Neighborhood Commercial Districts (NCDs). Examples run from small self-service restaurants to movie theaters to residential uses (ie., apartments, flats and houses).

Land ***use tables*** in the Code list all of the uses in the various districts. In the NCD tables (which are printed in ***Article 7*** of the Code),

P = a permitted use,
C = a conditional use (that is, approvable by the City Planning Commission after a public hearing),
(blank space) = a use that is not permitted,
= reference to a special regulation found at the end of the table.

NC-2 Zoning Control Table

Zoning Category	Controls by Story		
	1st	2nd	3rd+
Bar	P		
Medical Service	P	P	
Auto Gas Station	C		

Each use is either permitted, requires conditional use or is not permitted on ***each floor*** of any building in each district. For example, in the chart above, in an NC-2 zoning district, a bar would be permitted on the first floor or below, a medical service would be permitted on the second floor and below, and an automotive gas station would be allowed at the ground story by conditional use approval.

To find out which use table you need to look at, go to the Code Index and look up the zoning district and the subheading "regulations generally" (for example, "NC-2, regulations generally...711.1"). The table following the regulation description contains all of the district rules. Some uses can also be considered "temporary" or "accessory" to another use (see especially Section 703.2).

To find out whether the ***existing use on the property*** conforms to official City records, you can order a ***building permit history*** and **Certificates of Final Completion (CFCs)** from the Bureau of Building Inspection (Room 305 at 450 McAllister Street).

Master Plan Policies

Commerce and Industry Element

1. Seek to retain existing commercial and industrial activity and to attract new such activity to the City.

2. Maintain and enhance a favorable business climate in the City.
3. When displacement does occur, attempt to relocate desired firms within the City.
4. Ensure and encourage the retention and provision of neighborhood-serving goods and services in the City's neighborhood commercial districts, while recognizing and encouraging diversity among the districts.
5. Promote economically vital neighborhood commercial districts which foster small business enterprises and entrepreneurship and which are responsive to economic and technological innovation in the marketplace and society.
6. Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of existing affordable housing and needed expansion of commercial activity.
7. Encourage the location of neighborhood shopping areas throughout the City so that essential retail goods and personal services are accessible to all residents.
8. Regulate uses so that traffic impacts and parking problems are minimized.
9. Support locally initiated efforts to improve the visitor trade appeal of neighborhood commercial districts.

Master Plan Policies

Residence Element

1. Restrict the conversion of housing in commercial and industrial areas.
2. . Promote and support voluntary housing rehabilitation.
3. Use the City's financial powers and resources to reduce the cost and increase the supply of low and moderate income housing.
4. Safeguard tenants from excessive rent increases while assuring landlords fair and adequate rents.
5. Ensure that office developments and higher educational institutions assist in meeting the housing demand they generate.
6. Allow appropriate neighborhood-serving commercial activities in residential areas.
7. Provide adequate rental housing opportunities.
8. Minimize relocation hardship and displacement caused by the demolition or conversion of housing.
9. Permit displaced households the right of first refusal to occupy any replacement housing units.

).238
1
-13

CALENDAR
SPECIAL MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, June 8, 1993 - 2:00 p.m. City Hall, Room 228

Members: Supervisors Kennedy, Kaufman, Achtenberg

Clerk: Joni Blanchard

1. File 97-93-30. Hearing to consider proposed changes in the General Assistance program to electronically fingerprint recipients. (Supervisor Kennedy)

   ACTION:

DOCUMENTS DEPT.
JUN 8 1993
SAN FRANCISCO
PUBLIC LIBRARY

conomic Vitality & Social Policy Committee
oard of Supervisors
ity Hall, Room 235
an Francisco, CA 94102

MPORTANT HEARING NOTICE!!!

D 0132

City Librarian
Public Library
Civic Center

BSD

Public Library, Documents Dept.
ATTN: Jane Hudson

0 238
3
8-13

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

DOCUMENTS DEPT.
JUN 7 1993
SAN FRANCISCO
PUBLIC LIBRARY

June 8, 1993

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst Recommendations.

SUBJECT: June 8, 1993 Economic Vitality and Social Policy Committee Meeting

Item 2 - File 185-93-1

Item: This item is a hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community based organizations.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half

cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. Therefore, the total funding for children's services in Fiscal Year 1992-93 is approximately $55.7 million (approximately $50 million baseline plus $5.7 million in the Children's Fund). The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million, resulting in total estimated funding of approximately $63.2 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

The Children's Services Plan for 1993-94 as previously approved by the Board of Supervisors (File 185-92-5) is as follows:

SERVICE CATEGORIES

Childcare

Vouchers to Parents	$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
S. F. Unified Departmental Services	965,845
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	150.279
Total-Childcare	$3,069,926

Health and Social Services

Public Health Nurse - AFDC Intake	$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120
Homeless Families	56,250
Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
S. F. Unified Departmental Services	939,775
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	135,283
Total-Health and Social Services	$3,069,926

SERVICE CATEGORIES

Job Readiness, Training, and Placement

Dropout Prevention	$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workreation Expansion	64,590
Early Exposure - ages 12-14	130,510
S. F. Unified Departmental Services	980,625
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	235,875
Total-Job Readiness, Training, and Placement	$3,069,926

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
S. F. Unified Departmental Services	979,940
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	209,101
Total Library, Recr., Delinquency Prev., Educ.	$3,069,926
Total Service Categories	**$12,279,704**

ADMINISTRATIVE COSTS

Personnel (salaries and fringe benefits)	$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	20,800
Total Administrative Costs	**$920,296**
TOTAL CHILDREN'S PLAN	**$13,200,000**

BOARD OF SUPERVISORS
BUDGET ANALYST

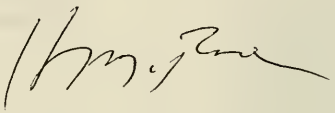
Comments: 1. The Children's Services Plan for 1993-94 as approved by the Board of Supervisors includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the S. F. Unified School District) Departmental Services fund and also includes a total of $563,225 that is allocated for Special Projects as follows:

Category	San Francisco Unified Departmental Services	Special Projects
Childcare	$965,845	$141,365
Health and Social Services	939,775	136,690
Job Readiness, Training, and Placement	980,625	142,635
Library, Recreation, Delinquency Prevention, Education	979,940	142,535
Total	$3,866,185	$563,225

2. The San Francisco Unified Departmental Services fund will be administered by the MOCYF to obtain children's services provided jointly by the San Francisco Unified School District, other City departments and the Private Industry Council (PIC).

3. The Economic Vitality and Social Policy Committee directed the Mayor's Office of Children, Youth and their Families to report back to the Committee on the specific details of the proposed expenditures of $3,866,185 for San Francisco Unified Departmental Services, $563,225 for Special Projects and $249,772 for Professional Services in the

Administrative Costs category and the overall status of their administrative expenses, including the number of administrative positions. The Mayor's Office of Children, Youth and Families has not as yet completed their report.



Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

.238

2-93

C A L E N D A R
REGULAR MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

RECEIVED
JUN 17 1993
CLERK'S OFFICE

TUESDAY, June 22, 1993 - 2:00 p.m. City Hall, Room 228

Members: Supervisors Kennedy, Kaufman, Conroy

Clerk: Joni Blanchard

1. File 185-93-1. Hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community based organizations. (Supervisor Kennedy)

   (Consideration continued from 6/8/93)

   ACTION:

2. File 190-93-6. Hearing to consider traffic conditions on the 1200 block of Monterey Boulevard, between Northgate and Westgate Drives. (Supervisor Kennedy)

   ACTION:

Economic Vitality & Social Policy Committee
Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

D 0132

City Librarian
Public Library
Civic Center

BSD

City Report

F
90.28
3
/22/93
2

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 · TELEPHONE (415) 554-7642

June 18, 1993

DOCUMENTS DEPT
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: June 22, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 185-93-1

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of June 8, 1993.

Item: This item is a hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community based organizations.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. Therefore, the total funding for children's services in Fiscal Year 1992-93 is approximately $55.7 million (approximately $50 million baseline plus $5.7 million in the Children's Fund). The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million, resulting in total estimated funding of approximately $63.2 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

The Children's Services Plan for 1993-94 as previously approved by the Board of Supervisors (File 185-92-5) is as follows:

SERVICE CATEGORIES

Childcare

Vouchers to Parents	$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
S. F. Unified Departmental Services	965,845
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	150,279
Total-Childcare	$3,069,926

Health and Social Services

Public Health Nurse - AFDC Intake	$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120
Homeless Families	56,250
Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
S. F. Unified Departmental Services	939,775
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	135,283
Total-Health and Social Services	$3,069,926

SERVICE CATEGORIES

Job Readiness, Training, and Placement

Dropout Prevention	$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workreation Expansion	64,590
Early Exposure - ages 12-14	130,510
S. F. Unified Departmental Services	980,625
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	235,875
Total-Job Readiness, Training, and Placement	$3,069,926

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
S. F. Unified Departmental Services	979,940
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	209,101
Total Library, Recr., Delinquency Prev., Educ.	$3,069,926
Total Service Categories	**$12,279,704**

ADMINISTRATIVE COSTS

Personnel (salaries and fringe benefits)	$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	20,800
Total Administrative Costs	**$920,296**
TOTAL CHILDREN'S PLAN	**$13,200,000**

Comments: 1. The Children's Services Plan for 1993-94 as approved by the Board of Supervisors includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the S. F. Unified School District) Departmental Services fund and also includes a total of $563,225 that is allocated for Special Projects as follows:

Category	San Francisco Unified Departmental Services	Special Projects
Childcare	$965,845	$141,365
Health and Social Services	939,775	136,690
Job Readiness, Training, and Placement	980,625	142,635
Library, Recreation, Delinquency Prevention, Education	979,940	142,535
Total	$3,866,185	$563,225

2. The San Francisco Unified Departmental Services fund will be administered by the MOCYF to obtain children's services provided jointly by the San Francisco Unified School District, other City departments and the Private Industry Council (PIC).

3. The Economic Vitality and Social Policy Committee directed the Mayor's Office of Children, Youth and their Families to report back to the Committee on the specific details of the proposed expenditures of $3,866,185 for San Francisco Unified Departmental Services, $563,225 for Special Projects and $249,772 for Professional Services in the

Administrative Costs category and the overall status of their administrative expenses, including the number of administrative positions. The Mayor's Office of Children, Youth and Their Families has submitted the attached in response to the Committee.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

Mayor's Office of Children,
Youth, & Their Families

FRANK M. JORDAN
MAYOR

ANTHONY LINCOLN
DIRECTOR

MAYOR'S OFFICE OF CHILDREN, YOUTH AND THEIR FAMILIES

REPORT ON INTENDED EXPENDITURES FOR THE 1993-94 CHILDREN'S SERVICES PLAN

- Departmental and Community-Based Organizations Collaborative ($3.39 million)
- Special Projects ($563,225)
- Non-personnel Administrative Costs ($249,772)

Submitted to the Economic Vitality and Social Policy Committee
Supervisor Willie Kennedy, Chair
Supervisor Barbara Kaufman
Supervisor Anne Marie Conroy
June 22, 1993
(Revised from June 8, 1993)

10 United Nations Plaza, Suite 260 • San Francisco, California 94102 • (415) 554-8990 • FAX (415) 554-8965

Mayor's Office of Children,
Youth, & Their Families



FRANK M. JORI
MAY
ANTHONY LINC
DIREC

The purpose of this report is to provide greater detail about the intended expenditures from the 1993-94 Children's Services Plan in three categories: (1) Department and Community-Based Organizations Collaborative San Francisco Unified Departmental Services; (2) Special Projects; and (3) non-personnel services portion of the MOCYF administrative budget.

(1) Department and Community Based Organizations Collaborative San Francisco Unified Departmental Services:
The Board of Supervisors agreed to set aside $3.866 million for a collaborative planning effort consisting of representatives from key City departments, SFUSD, elected neighborhood representatives, and members of the children's advocacy community. In the past two months, the Collaborative Planning Committee has drafted a set of guiding principles for the expenditure of these funds, and has overseen the creation of a Request for Proposals (RFP) for these funds. This RFP will be available for release to the public on July 6, 1993. The RFP will request comprehensive proposals that are a partnership between City departments, nonprofit community organizations and the schools, and which deliver comprehensive services to children, youth and families in a culturally appropriate manner. At the Board of Supervisors' request, special emphasis has been placed on serving underrepresented cultural and ethnic groups. In addition, programs which help support children's educational process and/or prevent violence (whether child abuse, gang violence or other forms) will be given high priority. Programs are scheduled to begin in October 1993 and run through August 1994.

Director Anthony Lincoln and several members of the Collaborative Planning Committee will present a more detailed verbal report to the Economic Vitality and Social Policy Committee on June 22, 1993.

PLEASE NOTE: The Children's Fund has decreased by $474,932 due to lower revenue estimates by the Controller's office of property tax. This amount has been taken entirely from the $3.866 million, with the amount remaining being $3.391 million. This amount has been taken from the four mandated service categories in increments that are proportional to the original allocation. The final totals in each service catgory are as follows:

Child Care: Originally $965,845 and now $847,198.
Health and Social Services: Originally $939,775 and now $824,331.
Job Readiness, Education, Training: Originally $980,625 and now $860,163.

Delinquency Prevention, Education, Recreation, Libraries: Originally $979,940 and now $859,562.

If revenues increase, funds will be allocated back to this portion of the Children's Fund.

(2) Special Projects:
The 1993-94 CSP sets aside $563,225 for Special Projects, which are programs that take place for a six to eighteen week time period. This program category was in response to many requests from the community for funding for programs that ran less than a year. This portion of the 1993-94 Children's Fund will be divided into three Request for Proposals. The first RFP, for projects occurring from July 1-September 3, 1993, is for the total sum of $150,000. Programs must either:

1. Provide summer employment and training for economically disadvantaged high school-aged youth or
2. Provide positive alternatives to youth through providing recreational and/or cultural enrichment activities.

The second RFP will be issued for $150,00-$250,000 in the early fall. These program will focus on providing short term services which will supplement and encourage children's education (tutoring programs, arts and culture projects, etc.) The third RFP for the remainder of the Special Projects fund (up to $163,225) will be for summer programs in June-August 1994, with an emphasis similar to that of this summer's programs.

(3) Non-personnel Services:
Attached is the budget breakdown for the non-personnel services portion of MOCYF's administrative budget for 1993-94. Based on the amount of permanent staff some monitoring, fiscal, and technical assistance activities will have to be "contracted out". The budgeted amount consist of $160,895 for Professional Services including: (1) technical assistance for non-profit contractors($55,000) which would provide assistance to non-profit organizations applying for funds, work with collaborative projects on organizational and operational issues, and facilitate community and project meetings; (2) computer and database consulting ($16,000) for design of specialized databases for research, planning, and proposal data collection and evaluation; (3) fiscal/accounting services and financial/programmatic monitoring ($50,000) to provide additional resources for the management and oversight of the Children's Fund; and (4) evaluation of the programs and impact of the Children's Fund($39,895). These evaluation funds will be used to leverage other funding from private sources to undertake an evaluation that will be used for future planning of Children's fund expenditures. The final $3,600 is budgeted for outside data/wp maintenance agreement at $300 per month.

Travel and transportation request total $4,536, including $1920 for fast passes (5 fast passes at $32/12 months) and $2616 for out of town travel for conferences

and meetings which include travel and lodging cost. $300 is requested for local and national organization memberships. $2400 is requested for computer/data processing training based on an estimate of $600 per group training for four workshops.

Telephone costs of $14,400 are based on average monthly expenditure of $100 per person for total MOCYF staff of twelve (both Dept. 23 & 25). $8,000 is allocated for postage based on average of $600 per month for 12 months and an additional $2,000 for special mailings. Mailing costs include such items as Request for Proposals information, annual Children's Services Plan, funding recommendations, mailings to contractors, contract/workplan information, notices of meetings, and regular mailings. $6,576 is budgeted for copy machine cost based on a monthly fixed fee of $248 for twelve months and estimated monthly copy charge of $300 per month based on current average volume adjusted for a significant increase in volume due to the large number of contracts and services that will be provided in FY 93-94. $300 is requested for subscriptions for periodicals related to children's services. $7500 is allocated for newspaper advertisements for announcements of request for proposals, community forum, and other public meetings. The cost is based on average per ad cost of $400.00 based on our previous Request for Proposal notification. $41,265 is requested for property rental based on 2,751 square feet of office space for 16 FTE's (paid staff, interns, and volunteers) yielding 171 square feet per FTE. Rent is calculated at the current rate of $1.25 per square foot totaling 3438.75 per month.

D. 238
3/93

BOARD of SUPERVISORS

City Hall
San Francisco 94102
554-5184

DOCUMENTS DEPT.
JUL 13 1993
SAN FRANCISCO
PUBLIC LIBRARY

NOTICE OF CANCELED MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, July 13, 1993, at 2:00 p.m. has been canceled.

John L. Taylor
Clerk of the Board

Housing & Land Use Committee
Economic Vitality & Social Policy Committee
Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

Business Series : Documents
D 0132
City Librarian
Public Library
Civic Center

Public Library, Documents Dept.
ATTN: Jane Judson

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

July 23, 1993

DOCUMENTS DEPT.
JUL 26 1993
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst Recommendations

SUBJECT: July 27, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 43-93-1

Department: Public Utilities Commission (PUC)

Item: Resolution to establish a City Policy whereby all public outdoor lighting facilities use high pressure sodium (HPS) fixtures and to expedite the conversion of lighting facilities not currently using high pressure sodium fixtures.

Description: Of the approximately 37,000 streetlights in San Francisco, nearly 19,000 streetlights or 51 percent are equipped with inefficient mercury vapor and incandescent fixtures. Incandescent fixtures were the original fixtures used when streetlights were first installed in San Francisco. Mercury vapor fixtures replaced many of the incandescent fixtures in the 1950s, as mercury vapor was found to be more energy-efficient than incandescent light. The remaining 18,000 of the approximately 37,000 streetlights have been converted to energy efficient high pressure sodium (HPS) fixtures, which provide more illumination while consuming less energy than either mercury vapor or incandescent fixtures. The benefits of HPS fixtures have been demonstrated on nearly half of the streets of San Francisco and in exterior applications such as the Golden Gate Bridge.

Of the approximately 37,000 streetlights in San Francisco, all of which use electricity furnished by Hetch Hetchy, Pacific Gas and Electric Co. (PG&E) owns and maintains an estimated 54 percent of them (20,000 streetlights); the City and County own and maintain the remainder (46 percent or approximately 17,000 streetlights). While 95 percent or 16,100 of the City-owned streetlights have already been converted to energy-efficient, HPS fixtures, 90 percent or approximately 18,000 of the lights owned by PG&E and 900 City-owned lights have yet to be converted.

The proposed resolution would authorize the City to adopt a policy that all public outdoor lighting facilities, in particular streetlights, use HPS fixtures to insure the highest levels of lighting at the lowest dollar and environmental cost. Under the proposed resolution, the Board of Supervisors and the Mayor would also urge PG&E and all City departments to accelerate their current plans for conversion of all streetlights to HPS fixtures. In addition, the proposed resolution would urge that, where applicable, lighting facilities be consolidated with those of other utilities and City departments using the streets.

Comments:

1. The upgrading of lighting fixtures, in addition to conserving energy, would provide an opportunity to consolidate the existing light poles with the poles of other City departments in order to reduce the number of poles on the streets of San Francisco. In those areas where it has not already been done, old light poles could be removed and HPS fixtures could be consolidated with poles belonging to other City departments, such as Municipal Railway (MUNI) and Parking & Traffic, thereby resulting in reduced crowding and maintenance costs.

2. According to Mr. Lawrence Klein of Hetch Hetchy, the proposed conversion program, once fully implemented, would save the General Fund approximately $330,000 annually. These savings would result from reduced annual energy charges of nearly $370,000 due to the more energy-efficient HPS fixtures. However, the higher maintenance costs of the HPS fixtures would increase the fixture lease charges paid by the City to PG&E by almost $40,000, and would thus produce an annual net savings of $330,000 to the City.

3. In addition, according to Mr. Klein, Hetch Hetchy could realize up to $500,000 per year in additional net revenue. Additional revenue of nearly $300,000 could result from the sale of conserved energy to non-municipal customers[1]. Furthermore, savings of approximately $200,000 would result from the reduction in wheeling charges (the cost for transportation of electricity) paid to PG&E for the conserved energy, thus amounting to a total of an estimated $500,000 in additional net revenue per year.

4. According to Mr. Rocco Colicchia of PG&E, the costs for the conversion of the remaining 18,000 of the estimated 20,000 lights owned by PG&E, amounting to between $2.7 million and $4.5 million, would be borne by PG&E and recovered within PG&E's existing rate structure or by selling the converted streetlights to the City. Mr. Colicchia reports that PG&E did not convert streetlights to HPS fixtures in the past because the cost of maintaining HPS fixtures was higher than both incandescent and mercury vapor fixtures. After 1988, following a new agreement with the City regarding rates, HPS fixtures became more economical. PG&E started converting streetlights to HPS fixtures in 1992 and plans to complete the conversion of an additional 17,000 of PG&E's 18,000 unconverted streetlights by 1997. Mr. Colicchia reports that PG&E will convert the remaining 1,000 of the 18,000 unconverted streetlights, but has not yet made a time commitment for the conversion of these streetlights.

5. Of the remaining 900 unconverted City-owned streetlights, the conversion of an estimated 257 of the incandescent streetlights on Van Ness Avenue, which also support the overhead lines for MUNI's trolley service, represents a significant challenge, according to Mr. Klein. While the majority of incandescent fixtures only require re-wiring in order to convert to HPS fixtures, the existing incandescent fixtures on Van Ness Avenue cannot be converted to HPS fixtures without installing new light poles because of the extensive deterioration of the existing concrete poles. Past attempts to replace and convert these light poles to HPS fixtures have failed due to a lack of funding. Mr. Klein estimates the one-time cost of replacement and conversion of the existing streetlights on Van Ness Avenue, as well as the consolidation of the new poles with MUNI's trolley lines, to be approximately $5.2 million. The streetlights on Van Ness Avenue will not be converted as part of the proposed

[1] However, Mr. Klein reports that a five year planning period for the sale of excess energy would be required before the full $300,000 in additional annual revenues could be realized.

conversion program until a funding source for the project is identified.

6. Funding for the conversion of the bulk of City-owned streetlights, not including those streetlights on Van Ness Avenue, exists in a Hetch Hetchy-funded capital program for the Bureau of Light, Heat and Power, which already has been approved by the Board of Supervisors. Mr. Klein estimates that 95 percent, or approximately 611, of the 643 unconverted streetlights not located on Van Ness Avenue could be converted with the $1.2 million to $1.3 million currently remaining in the Hetch Hetchy-funded capital program. Sources of funding for the remaining 32 of the approximately 643 unconverted streetlights not located on Van Ness Avenue will be sought in FY 1994-95.

7. According to the PUC, the proposed conversion program would increase lighting levels on the streets of San Francisco by more than 25 percent, thus permitting better visibility, greater traffic safety, and improved crime deterrence.

8. The PUC estimates that the proposed conversion project would offset more than 8,800 tons of carbon dioxide emissions per year, which is equivalent to the annual carbon dioxide emissions of about 2,000 typical automobiles, or to that released by burning 16,000 barrels of oil annually.

Recommendation: Based on the prior funding authorization of the Board of Supervisors for the Hetch Hetchy-funded capital program, approve the proposed resolution.

Items 2 and 3 - Files 97-93-30 and 97-93-30.1

Note: Item 2, File 97-93-30, was continued at the June 8, 1993, meeting of the Economic Vitality and Social Policy Committee.

Department: Department of Social Services (DSS)

Items: Item 2, File 97-93-30 is a hearing to consider proposed changes in the General Assistance Program to fingerprint recipients electronically.

Item 3, File 97-93-30.1 is an ordinance amending the San Francisco Administrative Code by adding Section 20.56.14 to permit the implementation of a Fingerprint Identification System for General Assistance recipients.

Description: Both items concern proposed changes in the General Assistance Program that would require the recipients of General Assistance (GA) aid from the City to be fingerprinted electronically as a prerequisite to receiving benefits.

Under the present system, there are at least two methods by which recipients of GA benefits may receive duplicate benefits. First, since counties do not share databases, which contain information on all applicants for and recipients of GA benefits, it is possible that a person receiving benefits in one county may receive benefits in another county without being detected. In addition, GA recipients may receive aid under more than one name within the same county by using false identification.

In order to prevent such potential fraud from occurring, the DSS proposes adopting the Automated Fingerprint Image Reporting and Match (AFIRM) system, developed by Electronic Data Systems (EDS), which would allow fingerprint images to be stored on a computer system. With this system, a digital fingerprint could be quickly matched against other fingerprints stored in the database. The AFIRM fingerprint data would be incompatible with fingerprint data taken for law enforcement purposes, thus eliminating the possibility that data would be shared between different government agencies.

Alameda and Los Angeles Counties have already implemented the AFIRM system, and other counties, including Contra Costa County, are considering adopting it. DSS would share fingerprint data using the proposed AFIRM system with Alameda County in order to prevent GA recipients from receiving aid in more than one county. In addition, since fingerprints, rather than other forms of identification, would be used to identify clients, GA recipients would be unable to use

false identification to receive aid more than once in the San Francisco office.

The DSS would lease all the necessary equipment and services from EDS, a large computer services company. The price of the system would include training, implementation, equipment, phone lines, installation, and fingerprint processing. Both Alameda and Los Angeles Counties have contracted with EDS for its services.

At this time, the AFIRM system would be adopted for the purpose of preventing fraud specifically in the GA program. Los Angeles County is considering expanding the system to other types of public assistance, including Aid to Families with Dependent Children (AFDC), but this first requires the approval of the State Legislature. Nevertheless, San Francisco is not presently contemplating the expansion of the AFIRM system to welfare programs other than the GA program.

The proposed ordinance (Item 3, File 97-93-30.1) would add a new Section 20.56.14 to the San Francisco Administrative Code, which would allow the Department of Social Services to implement the AFIRM system. The DSS could then require all applicants for and recipients of GA aid to provide fingerprints as a condition for eligibility or continuing eligibility, subject to the procedures and regulations adopted by the Department, for the purposes of identification. Refusal to cooperate with the fingerprint procedures would provide grounds for denial or discontinuance of aid. However, DSS would allow exemptions for clients who, due to mental illness, fear fingerprinting. The AFIRM system would be subject to all State and Federal laws and regulations regarding the confidentiality of information of applicants for, or recipients of, public aid benefits.

Comments:

1. Ms. Sally Kipper of DSS reports that the equipment and operational expenses of the AFIRM system are estimated to cost $200,000 annually. This estimate is based on the cost of hardware and on the number of GA cases that EDS would process and store. According to Ms. Dorothy Enisman, Program Manager of GA, as other counties adopt the system, thus adding more records to the database, the cost for each county should decrease.

2. The DSS has requested that funds from the FY 1992-93 budget be carried forward in order to pay for the estimated $200,000 in operational expenses for the AFIRM system for FY 1993-94. The source of these funds would be Object 153, General Assistance aid payments, and the funds would be carried forward to Object 105, Data Processing/Word

Processing/Professional Services, for FY 1993-94. The request for carrying funds forward from the FY 1992-93 budget is pending administrative approval from the Controller's Office.

3. According to Ms. Kipper, by adopting the AFIRM system, the DSS expects to reduce the costs of the GA program by preventing the provision of duplicate aid. Mr. John Vera, DSS Assistant General Manager, reports that as other counties adopt the fingerprint identification system, the database would most likely be expanded to include such other counties.

4. The DSS does not know to what extent this fraud occurs, since DSS presently has no precise method of identifying recipients of duplicate aid. Nevertheless, DSS General Manager Brian Cahill reports that the Department has anecdotal evidence that fraud does occur. In addition, Ms. Joan Bennett of the District Attorney's Welfare Fraud Department reports that she has prosecuted at least 50 duplicate aid cases in the past few years, which corresponds to at least 50 excess grants (oftentimes more) of GA aid or an additional $17,250 in GA disbursements. Ms. Bennett further reports that this is only a portion of the reported cases of duplicate aid, as many cases are handled administratively rather than in court.

5. Local public interest groups have expressed opposition to the proposed ordinance. Their main arguments against adopting the AFIRM system are that it is an invasion of privacy and that it will intimidate some of those entitled to assistance from receiving it. Moreover, they fear that the fingerprint data may be shared with law enforcement and/or other government agencies. Mr. Jim Davis, Western Regional Director of Computer Professionals for Social Responsibility, claims that savings attributed to the AFIRM have been exaggerated. Mr. Davis reports that the reduction in General Assistance caseloads in counties that have already adopted the system has occurred not because of a decrease in fraud, but due to the number of persons who missed their fingerprinting appointments, and thus had their cases terminated. Mr. Davis further claims that the costs of implementing the AFIRM system will be significantly higher than the costs estimated by the DSS.

6. According to Ms. Kipper, since implementing the AFIRM system in June 1991, Los Angeles (LA) County has experienced a caseload reduction of 2.5 percent in its GA program. Los Angeles County reports that the AFIRM system resulted in reduced GA costs of $5.4 million over the first six months.

Alameda County has also experienced a 4.5 percent reduction in cases since it adopted the system.

7. Based on Alameda County's experience, DSS estimates that the AFIRM system would result in a 4.5 percent reduction in the GA caseload, producing $1.9 million in savings on projected FY 1993-94 GA expenditures of $55.8 million. The Budget Analyst estimates a 3 percent reduction in the GA caseload upon implementation of the AFIRM system, resulting in $1.25 million in savings on projected FY 1993-94 GA expenditures. All of the foregoing figures are based on an October 1, 1993, implementation date of the proposed AFIRM system.

8. The Budget Analyst previously reported that the Mayor's recommended FY 1993-94 budget for General Assistance was underbudgeted by at least $5.1 million. This underbudgeted amount was based on approval of the AFIRM system. The Budget Analyst previously reported that without approval of the AFIRM system, the underbudgeted amount for GA would increase by an additional estimated $1.2 million, resulting in a total potential shortfall of at least $6.3 million. The FY 1993-94 budget, as approved by the Board of Supervisors, included a reserve for GA, as recommended by the Controller, in the amount of only $3.2 million.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Barbara Kolesar
Ted Lakey

DOCUMENTS DEPT.
NOV 30 1993
SAN FRANCISCO
PUBLIC LIBRARY

CALENDAR
REGULAR MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, August 10, 1993 - 2:00 p.m. City Hall, Room 228

Members: Supervisors Kennedy, Kaufman, Conroy

Clerk: Joni Blanchard

1. File 97-92-47. Hearing to consider amending the Administrative Code Section 10.213, E.4. (a) thru (d) to require all City contracts with companies who do not sign the declaration compliance with the South Africa divestiture ordinance be reviewed and approved by the Board of Supervisors. (Supervisor Kennedy)

   (Consideration continued from 11/10/92)

   ACTION:

2. File 223-92-2. Hearing to consider the conditions that exist in the African-American Community relating to housing, crime, employment, education, economic development. (Supervisor Kennedy)

   ACTION:

3. File 174-93-7. [African-American Population] Resolution urging the Mayor to join the Board of Supervisors in declaring the commitment of the City and County to the existence of a viable African American community in San Francisco; creating a task force on African American participation to recommend initiatives for implementing a strategic plan for the African American community, including funding and implementation of strategies for the economic development district in the Western Addition, and requesting a report from the task force, within ninety days, on first implementation steps. (Supervisors Alioto, Kennedy)

   ACTION:

4. File 291-93-1. Hearing to consider evidence and make factual findings to justify, according to applicable constitutional standards, the disparate treatment Charter Section 7.204(d) (which requires that laborers employed by public works contractors and working on public projects for the City and County be San Francisco residents) imposes on non-residents. (Supervisor Kennedy)

   ACTION:

5. File 215-93-2. [Levon Hagop Nishkian] Resolution memorializing his Honor, the Mayor, to urge the Port Commission and the Chief Administrative Officer, through the Department of Public Works, to officially designate the drawbridge spanning Islais Creek Channel as the "Levon Hagop Nishkian" bridge. (Supervisors Kaufman, Bierman)

ACTION:

6. File 97-93-40. [General Assistance Sanctions, Collection of Overpayments] Ordinance amending Administrative Code by amending Sections 20.58.1, 20.59.10 and 20.59.16, relating to sanctions and the collection of overpayments. (Department of Social Services)

ACTION:

DOCUMENTS DEPT.
NOV 3 1993
SAN FRANCISCO
PUBLIC LIBRARY

D.238
1
2/93

C A L E N D A R
REGULAR MEETING
ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, July 27, 1993 - 2:00 p.m. City Hall, Room 228

Members: Supervisors Kennedy, Kaufman, Conroy

Clerk: Joni Blanchard

1. File 43-93-1. [Policy Adoption] Resolution authorizing City Policy whereby all public outdoor lighting facilities use high pressure sodium fixtures and the expediting of the conversion of lighting facilities not currently using high pressure sodium fixtures. (Public Utilities Commission)

   ACTION:

2. File 97-93-30. Hearing to consider proposed changes in the General Assistance program to electronically fingerprint recipients. (Supervisor Kennedy)

   (Consideration continued from 6/8/93)

   ACTION:

3. File 97-93-30.1. [General Assistance Fingerprint Identification] Ordinance amending the Administrative Code by adding Section 20.56.14 to permit the implementation of a Fingerprint Identification System for general assistance recipients. (Department of Social Services)

   ACTION:

omic Vitality & Social Policy Committee
d of Supervisors
Hall, Room 235
Francisco, CA 94102

City Report

23 r
93

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

August 6, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: August 10, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 97-92-47

Note: This item was continued at the Economic and Social Policy Committee meeting of November 10, 1992

Item: Hearing to consider amending Administrative Code Section 10.213.E.4. (a) through (d) to require that all City contracts with companies that do not sign the declaration of compliance with the South Africa divestiture ordinance be reviewed and approved by the Board of Supervisors.

Description: Section 10.213 of the Administrative Code, "Contractual Services, Real and Personal Property Agreements," defines prohibited transactions, specifies contract conditions and declarations required, and provides conditions under which the foregoing will not be applicable, with respect to business relationships with the government of South Africa or with other entities doing business in South Africa.

Section 10.213 A., "Prohibited Transactions," is concerned with business relations with South Africa and defines "prohibited transactions" as those transactions that involve either a prohibited ownership interest, as defined in Section 10.211(k) of the Administrative Code, or involve providing goods or services to (1) the government of South Africa; (2) any business or entity organized under the laws of South Africa; or (3) any business entity for the express purpose of assisting that business' operations in, or that business'

trading with, any public or private entity located in South Africa. Section 10.213 A. provides that the City will not enter into an agreement for contractual services or any lease, permit, license or other agreement for the use or sale of the City's real or personal property with entities engaged in such prohibited transactions, subject to the exceptions provided in Section 10.213.E.

Section 10.213.B., "Contract Condition," requires that each contract for services, or for the use or sale of the City's real or personal property, include as a material condition to that agreement that the contractor does not have a prohibited ownership interest and that the contractor is not the government of South Africa, an entity organized under the laws of South Africa, or an entity doing business in South Africa.

Section 10.213.D. "Declaration Required," provides that contracting officers, prior to entering into a lease, permit, or other agreement for the use or sale of the City's real or personal property, or prior to contracting with any business entity for the provision of contractual services not subject to competitive and sealed bid, obtain a declaration under penalty of perjury, on a form prescribed by the Purchaser, certifying that the business entity does not have any relationship of the type listed in Section 10.213.A., cited above. For contracts subject to competitive and sealed bids, except as prohibited by State or federal law or regulation, all contracting entities of the City shall require the declaration as a material part of any bid. Subject to the provisions of Section 10.213.E., described below, failure to include the declaration in any bid shall make such bid a non responsive bid.

Section 10.213.E., "Nonapplicability; Findings: Alternate Selection," provides that the foregoing provisions shall not apply to contracts entered into prior to March 9, 1986, or to contracts for an aggregate value of $5,000 or less, or under certain other conditions, such as leases, permits, or other agreements of nominal value. Section 10.213.E. also specifies that the foregoing provisions shall not apply when the contracting officer finds that (1) no other entity is capable of performing the desired function; (2) the City would incur a financial loss which, in the opinion of the contracting officer would violate his or her fiduciary duties; (3) the inclusion of the provisions would violate or be inconsistent with the terms or conditions with a grant, subvention or contract with an agency of the State of California or the United States; or (4) the inclusion or application of such provisions would violate

or be inconsistent with the laws of the State or Federal government.

This hearing is to consider requiring that the Board of Supervisors approve all contracts granted an exception by the contracting officer under conditions (1) through (4) in the preceding paragraph.

Comments:

1. As previously stated, this hearing concerns amending the Administrative Code to provide that the Board of Supervisors approve all contractual agreements for services and for use or sale of the City's real or personal property with any business entity having a prohibited relationship involving South Africa. Sections 10.212 and 10.214 of the Administrative Code, "Deposit and Investment of City Funds," and "Purchase of Commodities," respectively, which also control the City's contractual relations with entities involved with South Africa, are not currently included in the subject matter of the hearing.

2. The Budget Analyst has been informed by the hearing sponsor that the hearing request will be amended to include the applicable provisions of Sections 10.212 and 10.214. Therefore, the hearing would be expanded to include changes to the Administrative Code that would require the Board of Supervisors to approve contractual agreements to which the City is party concerning the purchase of commodities and the deposit and investment of City funds, in addition to contractual agreements for services and the use or sale of the City's real or personal property.

3. Staff responsibility for administering the various provisions of the Administrative Code controlling contracting relations with entities involved with South Africa, other than for construction and real property contracts, resides with the Purchaser of Supplies. The Purchaser of Supplies, working in conjunction with the Information Systems Division (ISD) of the Controller's Office, has provided the Budget Analyst with a Financial Accounting and Management Information System (FAMIS) report that lists a total of 385 services contracts entered into between July 1, 1992, and November 3, 1992, that would be subject to the amended provisions of Administrative Code Section 10.213.E.4. At the same rate of contracting, 907 such contracts would be reported on an annual basis.

4. Mr. Marc Rosaaen of the Purchasing Department reports that there are some categories of service contracts that are included in the total of 385 contracts, such as contracts for printing, that the Board of Supervisors might desire not to approve on an individual basis. Such a policy decision would reduce the number of contracts subject to review. However, Mr. Rosaaen also states that since Purchasing does not review construction contracts and since they are not included in the previously discussed FAMIS report, the total workload required to review such contracts by the Board of Supervisors would add to the total workload.

5. Mr. Rosaaen reports that the workload impact on the Purchasing Department should legislation be ultimately enacted requiring the Board of Supervisors to approve contracts with companies that do not sign the declaration of compliance with the South Africa divestiture ordinance, would range from very little involvement to that of attending committee meetings of the Board of Supervisors and providing additional information, as requested.

Memo to Economic Vitality and Social Policy Committee
August 10, 1993 Economic Vitality and Social Policy Committee Meeting

Items 2 and 3 - Files 223-92-2 and 174-93-2

1. Item 2 - File 223-92-2 is a hearing to consider the conditions that exist in the African-American community relating to housing, crime, employment, education, and economic development.

2. Item 3 - File 174-93-2 is a proposed resolution which would urge the Mayor to join the Board of Supervisors in declaring the commitment of the City and County of San Francisco to the existence of a viable African American community in San Francisco, and to create a Task Force on African American Participation to recommend initiatives for implementing a strategic plan for the African American community, including funding and implementation of strategies for the Economic Development District in the Western Addition, and requesting a report from the Task force within ninety days, on first implementation steps.

3. The proposed resolution (File 174-93-2) states that the San Francisco Human Rights Commission (HRC), in its report dated February, 1993, provided detailed and compelling evidence of the deterioration of the African American community in San Francisco during the past 25 years, including the loss of African American businesses, which has led to the numerical diminution of African American citizens as a part of the San Francisco community.

4. The proposed resolution would declare the Board of Supervisors commitment to the existence of a viable African American community in San Francisco and urge the Mayor to join in said declaration. In order to support this declaration with concrete measures, the Board of Supervisors would declare that the commitment includes the following:

(1). Encouraging the maintenance of the African American population at no less than its current 11 percent of the City's population. Such maintenance would be used as a yardstick to measure success.

(2). Providing for more vigorous enforcement of the City's MBE/WBE/LBE Ordinance through (1) presentation of evidence that the HRC is fully in compliance with the Ordinance, (2) presentation of evidence that the Ordinance is in fact being enforced and that minority-owned, women-owned and disadvantaged locally-owned businesses are being awarded contracts by HRC, with respect to all City departments, when they are the lowest bidders, and (3) presentation of evidence that African American firms submitting bids are being awarded contracts by the City.

(3). The proposed resolution provides that in order to demonstrate commitment to a more vigorous enforcement of the MBE/WBE/LBE Ordinance and attain the desired goals, upon adoption of the proposed resolution, each City department will be requested to report on its

MBE/WBE/LBE compliance to the Mayor and the Board of Supervisors on a quarterly basis until full compliance is achieved.

(4) The proposed resolution also provides that further evidence of the Board of Supervisors' commitment to address the economic disparity inflicted upon African Americans in San Francisco will be demonstrated by implementing a strategic plan for the African American community, which will include an economic development district in the Western Addition.

(5). The proposed resolution further provides that the Board of Supervisors would create a Task Force on African American Participation to consist of eleven members of the public and private sectors, who reside in San Francisco. The following six agencies and entities would be requested to designate a representative to serve on the Task Force: the Mayor's Office of Economic and Community Development, the Redevelopment Agency, the Urban League, the Chamber of Commerce, the HRC, and the National Association for the Advancement of Colored People (NAACP). The five remaining Task Force members would be appointed by the Board of Supervisors and would represent the Western Addition neighborhood, the Bayview Hunters Point neighborhood, the Ingleside neighborhood, the Sunnydale neighborhood, and a community-based agency. The Task Force members would not receive any compensation for their services.

(6). The Task Force would recommend to the Board of Supervisors within 90 days from the date of its first meeting, initiatives for implementing the strategic plan, including funding and implementation strategies for the economic development district in the Western Addition. The Task Force would automatically terminate 30 days after submitting its recommendations and findings to the Board of Supervisors.

Comment

The proposed resolution would not in itself have a fiscal impact on the City. However, if the proposed resolution is approved, the recommendations noted above, which would be submitted to the Board of Supervisors by the proposed Task Force, could potentially have a fiscal impact on the City. As noted above, the Task Force members would not be paid for their services. With the exception of the potential costs associated with the Task Force recommendations, no other expenses are expected to be incurred by the City.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Memo to Economic Vitality and Social Policy Committee
August 10, 1993 Economic Vitality and Social Policy Committee Meeting

Item 4 File 291-93-1

1. This item is a hearing to consider evidence and to make factual findings to justify, according to applicable constitutional standards, the disparate treatment Charter Section 7.204 (d) imposes on non-residents, by requiring that laborers employed by public works contractors and working on public projects for the City and County be San Francisco residents.

2. The City Attorney's Office, at the request of the Chief Administrative Officer and the City's Human Rights Commission, has rendered a legal opinion that, as currently written, Charter Section 7.204 (d) violates the State and Federal Constitutions. Charter Section 7.204 (d) provides that all laborers employed under any contract within City limits, must have been residents of the City and County for a period of one year immediately preceding the date of their employment to perform the contract work. Providing however, that a waiver of such residence requirements can be granted by the awarding authority when it has been established that the required number of laborers possessing the necessary qualifications required to perform the work cannot otherwise be employed. According to the City Attorney's Office, the residency requirement, which has not been enforced for many years, cannot be validly enforced because it requires public contractors to discriminate against non-resident laborers in a manner which violates the privileges and immunities clause of the United States Constitution.

3. The City Attorney's Office advises that if the Board of Supervisors is interested in enforcing a residency requirement, it must take the following steps:

(1). Hear evidence and make factual findings to justify, according to applicable constitutional standards, the disparate treatment Charter Section 7.204 (d) imposes on non-residents. According to the City Attorney, a local hiring program must be supported by evidence legally sufficient to support a factual finding that the employment of non-residents by public works contractors contributes to high rates of local unemployment in the construction industry. The supporting evidence must include both anecdotal information and statistical analyses of regional education, training, hiring and employment data.

(2). Adopt an ordinance which narrows the existing residency requirement provision as follows:

(a). Eliminate the durational element of the residency requirement.

(b). Limit resident preference beneficiaries. According to the City Attorney's Office, the preference should benefit only residents who are unemployed, have a history of unemployment, or are enrolled in a job training program. The City Attorney's Office notes that if the resident preference is justified by purposes other than reducing

local unemployment, the beneficiaries must closely parallel the ordinance's purposes.

(c). Establish an economic trigger for application of the residency requirement. According to the City Attorney's Office, the residency requirement should be enforced only when labor market conditions warrant. The City Attorney's Office notes that if purposes other than reducing local unemployment justify the ordinance, economic triggers should be closely related to those purposes.

(d). Assume the burden of identifying available resident workers. The City Attorney states that the City should establish a system to notify public works contractors when San Francisco residents are available for hire, rather than requiring contractors to demonstrate that no residents are available.

The City Attorney's Office notes that it is unclear whether a more narrowly drawn residency requirement, supported by evidence, could withstand a legal challenge.

Item 6 - File 97-93-40

Department: Department of Social Services (DSS)

Items: Ordinance amending Administrative Code by amending Sections 20.58.1, 20.59.10, and 20.59.16, relating to sanctions and the collection of overpayments.

Description: Section 20.58.1 of the San Francisco Administrative Code currently states that if a client's General Assistance (GA) aid payments are discontinued because of the client's failure to comply with the applicable provisions of the Administrative Code and with DSS regulations, the recipient shall be unable to reapply for GA assistance for a period of at least two weeks from the effective date of discontinuance. In addition, pursuant to Section 20.59.16 of the Code, any person who, by means of a false statement or representation or by an impersonation or other fraudulent act, obtains GA assistance, shall be referred to the District Attorney's Office for appropriate action.

The proposed ordinance would amend Section 20.58.1 of the Administrative Code by increasing the sanction period from two weeks to 30 days for GA recipients whose aid is discontinued because of the recipient's failure to comply with the Administrative Code and DSS regulations.

In addition, the proposed legislation would amend Section 20.59.16 of the Administrative Code by establishing graduated sanction periods for cases in which clients obtain GA assistance through intentional, fraudulent means, such as through false statements, misrepresentations, impersonations or some other fraudulent act, or through the intentional failure to report facts. The first offense within a 24-month period would be a 30-day waiting period before the client would be permitted to reapply for GA aid. Upon the second and third offenses within a 24 month period, the client would be unable to reapply for GA aid for periods of 60 days and 90 days, respectively. In addition, such cases would be referred to the District Attorney's Office for appropriate action.

Section 20.59.10 of the Administrative Code presently provides that in the case of an overpayment of GA aid to a client due to an administrative error or the recipient's negligent failure to report facts, the recipient's grant may be adjusted by reducing each subsequent GA payment by 10 percent (or $34) per month for a six month period. An overpayment of GA aid due to the misrepresentation of information by the client must be repaid by reducing the amount of the recipient's grant by 40 percent

(or $138 per month) for a three month period. Finally, an overpayment of GA assistance due to the willful failure to report a fact or some other fraudulent act results in the immediate discontinuance of aid, subject to the fair hearing procedures outlined in the Administrative Code.

The proposed ordinance would amend Section 20.59.10 of the Administrative Code by permitting the DSS to collect overpayments of GA aid resulting from administrative errors or negligence on behalf of the recipient until such overpayments have been collected in full. Each subsequent GA payment would be reduced by 10 percent ($34) per month until collection of the GA overpayment is complete, rather than for only six months, as is presently the case.

In addition, in cases where overpayments of GA assistance result from fraudulent behavior on behalf of the client, such as a false statement, misrepresentation, impersonation, intentional failure to report facts, or some other fraudulent behavior, the proposed ordinance would permit the DSS to reduce the client's monthly GA payment by 40 percent ($138) until the overpayment is collected in full, rather than for only three months, as is presently the case.

Comments:

1. Mr. Brian Cahill, General Manager of the DSS, reports that increasing the sanction period from two weeks to 30 days for program violations would be consistent with the sanction period in most other counties in California.

2. According to Mr. Cahill, under current law, when a client is required to repay an overpayment of GA aid due to an administrative error or the negligence on behalf of the client, the recipient's monthly grants of $345 are reduced by no more than 10 percent ($34). Under Administrative Code Section 20.59.10, as described above, the DSS is permitted to make collections of GA overpayments for only six months, resulting in a maximum repayment of $204, even if the overpayment exceeded this amount. The proposed ordinance would remove the six month limitation, thus permitting full collection of the overpayment.

3. Under current law, when a client is required to repay an overpayment of GA aid due to the misrepresentation of information by a client, the recipient's monthly grants of $345 are reduced by no more than 40 percent ($138). Under Administrative Code Section 20.59.10, as described above, the DSS is permitted to make collections of GA overpayments for only three months, resulting in a maximum repayment of $414 ($138 x 3) that the DSS can collect from the GA recipient. Ms.

Joan Bennett of the District Attorney's Office reports that she has prosecuted at least 50 GA fraud cases in the past two years in which clients received an average of four GA grants per month, or $1,035 ($345 x 4 less the $345 to which they are entitled) in GA overpayments. However, as noted above, the maximum repayment to DSS in such cases is only $414. The proposed ordinance would remove the three month limitation, thus permitting full collection of the overpayment.

4. Both the Budget Analyst and the DSS estimate combined savings of approximately $805,000 in FY 1993-94 for the proposed program changes. According to Ms. Sally Kipper of the DSS, the DSS would save $168,000 due to the proposed extended repayment period. Ms. Kipper reports that DSS collects an average of 411 repayments per month at $34 per collection (10 percent of $345), or a total of approximately $14,000 in repayments per month. As a result of the proposed extended repayment period, DSS expects to be able to collect an additional $14,000 in overpayments per month from clients whom they formerly could not collect from because of the six month limitation, thus allowing an estimated total annual savings of $168,000 (12 months x $14,000). In addition, Ms. Kipper conservatively estimates that the DSS would save approximately $637,000 due to the proposed extended reapplication period, as illustrated below.

2,740	Cases discontinued per month
x 74.9 %	Discontinuances upheld (25% of cases, after hearing, are reinstated immediately)
2,052.3	Cases subject to proposed additional 15 day sanction
x 20 %	Cases returning immediately after 15 day sanction
410.5	Cases on which savings are based
x $172.50	Cost of GA benefits for extra 15 day period ($345/mo. ÷ 30 days equals $11.50 per day)
$70,811.25	Monthly savings
x 12	Months per year
$849,735	Annual savings
x 75 %	Annual savings discounted for October 15, 1993 implementation
$637,301	Total FY 1993-94 estimated savings

5. The Budget Analyst previously reported that the Mayor's recommended FY 1993-94 budget for the GA Program was underbudgeted by at least $5.1 million. This underbudgeted amount was based on approval of the proposed GA Program changes discussed herein and the previously proposed Fingerprint Identification System. The Budget Analyst also previously reported that without approval of the proposed GA Program changes and the fingerprint identification system, the underbudgeted amount for GA would increase by an additional estimated $2 million, equivalent to $800,000 for the proposed program changes and $1.2 million for the proposed fingerprint identification system, resulting in a total potential shortfall of at least $7.1 million. The FY 1993-94 budget, as approved by the Board of Supervisors, included a reserve for GA, as recommended by the Controller, in the amount of only $3.2 million.

6. At the request of the Mayor, the two proposed GA Program changes will be voted on by the electorate at the November, 1993 election.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Jean Harris
Ted Lakey

City Report

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

August 20, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: August 24, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 217-93-3

1. This item is a hearing to consider the feasibility of the Human Rights Commission providing oversight for the South Africa Divestiture Ordinance.

2. The Purchaser's Office currently administers the acquisition of materials, supplies and equipment from vendors and suppliers, in accordance the South Africa Divestiture Ordinance. The Purchaser's Office submits semiannual reports to the Board of Supervisors detailing purchasing activities regarding the South Africa Divestiture Ordinance.

3. Mr. Edwin Lee of the Human Rights Commission, reports that he has not yet analyzed the assumption of oversight duties for the South Africa Divestiture Ordinance by the Human Rights Commission, as of the writing of this report.

Item 2 - File 284-93-2

1. This item is a hearing to consider amending the San Francisco Administrative Code Section 12D to include Native Americans in the Minority/Women/Local Business Enterprise Ordinance.

2. Mr. Edwin Lee of the Human Rights Commission indicates that the original Minority/Women/Local Business Enterprise Ordinance included provisions for Native Americans in the definition of a Minority Business Enterprise. However, when the Human Rights Commission reanalyzed the status of Native American firms in 1989, there was insufficient statistical evidence of discrimination against Native American firms in the awarding of City contracts to conclude that Native American firms should be given preferential treatment in the awarding of contracts, according to Mr. Lee. Therefore, Native American firms are not included in the current (1989) Minority/Women/Local Business Enterprise Ordinance definition of Minorities.

Item 3 - File 284-93-3

1. This item is a hearing to consider compliance of the Minority/Women/Local Business Enterprise Ordinance relating to contracts and subcontracts including parking lots, concessions, City towing, janitorial services and security.

2. The Minority/Women/Local Business Enterprise Ordinance currently applies to prime contractors and specifically to three areas of subcontractors that are named in the Ordinance: 1) public works construction, 2) architectural services and 3) engineering services. The Minority/Women/Local Business Enterprise Ordinance does not apply to subcontracts in other areas.

3. Mr. Edwin Lee of the Human Rights Commission reports the following:

- Parking lot management firms contracting with the Department of Parking and Traffic are considered to be professional management consultants and are therefore subject to the Minority/Women/Local Business Enterprise Ordinance.

- Concessions (and leases) are not subject to the Minority/Women/Local Business Enterprise Ordinance because the Human Rights Commission has not been able to develop sufficient statistical evidence to show that such agreements result in discrimination.

- City towing agreements with the Department of Parking and Traffic are considered to fall into the category of leases and concessions which, as previously stated, are not subject to the Minority/Women/Local Business Enterprise Ordinance.

- Janitorial and security service contracts with the City are considered to be general service contracts which are subject to the Minority/Women/Local Business Enterprise Ordinance.

4. The Human Rights Commission maintains compliance data on parking lot management firms and on janitorial and security service firms but does not have a summary of such compliance, as of the writing of this report. The Human Rights Commission does not track compliance data for concessions and leases and City towing agreements.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Jean Harris
Ted Lakey

.238
-93

CALENDAR

DOCUMENTS DEPT
NOV 3 1993
SAN FRANCISCO
PUBLIC LIBRARY

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

TUESDAY, September 14, 1993 - 2:00 p.m. ROOM 228, City Hall

MEMBERS: Supervisors Willie Kennedy, Barbara Kaufman, Annemarie Conroy

CLERK: Joni Blanchard

* * * * * * * * * * * * * * *

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call the accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accomodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accomodate these individuals.

1. File 185-93-1. Hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community-based organization. (Supervisor Kennedy)

   (Consideration continued from 6/22/93)

   ACTION:

2. File 222-93-2.1. Hearing to consider Civil Service Department's role in the classification elimination and layoff issues of the Department of Public Health and other personnel units. (Supervisor Kennedy)

   ACTION:

3. File 222-93-3. Hearing to consider the reclassification, re-assignment, pay increases and bumping system used for employees of the Department of Social Services with nine-plus years of employment with the Department. (Supervisor Kennedy)

   ACTION:

City Report

236
793

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

DOCUMENTS DEPT

SEP 26 2000

SAN FRANCISCO
PUBLIC LIBRARY

September 10, 1993

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: September 14, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 185-93-1

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of June 22, 1993.

Item: This item is a hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community based organizations.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

In 1992, the Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $50 million. This baseline amount of approximately $50 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount will be adjusted annually by the percentage change in aggregate City appropriations since the base year.

The Children's Fund for Fiscal Year 1992-93 is approximately $5.7 million. Therefore, the total funding for children's services in Fiscal Year 1992-93 is approximately $55.7 million (approximately $50 million baseline plus $5.7 million in the Children's Fund). The Controller's Office estimates that the ad valorem tax revenue for the Fiscal Year 1993-94 Children's Fund will be approximately $13.2 million, resulting in total estimated funding of approximately $63.2 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

The Children's Services Plan for 1993-94 as previously approved by the Board of Supervisors (File 185-92-5) is as follows:

SERVICE CATEGORIES

Childcare

Vouchers to Parents	$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
S. F. Unified Departmental Services	965,845
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	150.279
Total-Childcare	$3,069,926

Health and Social Services

Public Health Nurse - AFDC Intake	$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120
Homeless Families	56,250
Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
S. F. Unified Departmental Services	939,775
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	135,283
Total-Health and Social Services	$3,069,926

SERVICE CATEGORIES

Job Readiness, Training, and Placement

Dropout Prevention	$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workreation Expansion	64,590
Early Exposure - ages 12-14	130,510
S. F. Unified Departmental Services	980,625
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	235,875
Total-Job Readiness, Training, and Placement	$3,069,926

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
S. F. Unified Departmental Services	979,940
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	209,101
Total Library, Recr., Delinquency Prev., Educ.	$3,069,926
Total Service Categories	**$12,279,704**

ADMINISTRATIVE COSTS

Personnel (salaries and fringe benefits)	$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	20,800
Total Administrative Costs	**$920,296**
TOTAL CHILDREN'S PLAN	**$13,200,000**

Comments:

1. The Children's Services Plan for 1993-94 as approved by the Board of Supervisors includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the S. F. Unified School District) Departmental Services fund and also includes a total of $563,225 that is allocated for Special Projects as follows:

Category	San Francisco Unified Departmental Services	Special Projects
Childcare	$965,845	$141,365
Health and Social Services	939,775	136,690
Job Readiness, Training, and Placement	980,625	142,635
Library, Recreation, Delinquency Prevention, Education	979,940	142,535
Total	$3,866,185	$563,225

2. The San Francisco Unified Departmental Services fund will be administered by the MOCYF to obtain children's services provided jointly by the San Francisco Unified School District, other City departments and the Private Industry Council (PIC).

3. The Economic Vitality and Social Policy Committee directed the Mayor's Office of Children, Youth and their Families to report back to the Committee on the specific details of the proposed expenditures of $3,866,185 for San Francisco Unified Departmental Services, $563,225 for Special Projects and $249,772 for Professional Services in the

Administrative Costs category and the overall status of their administrative expenses, including the number of administrative positions. The Mayor's Office of Children, Youth and Their Families indicates that they will make their responses to the Committee at the hearing.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Theresa Lee
Ted Lakey

City Report

0238
28/93

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

September 24, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: September 28, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 - File 284-93-2

Note: This item was continued from the August 24, 1993 Economic Vitality and Social Policy Committee meeting.

1. This item is a hearing to consider amending the San Francisco Administrative Code Section 12D to include Native Americans in the Minority/Women/Local Business Enterprise Ordinance.

2. Mr. Edwin Lee of the Human Rights Commission indicates that the original Minority/Women/Local Business Enterprise Ordinance included provisions for Native Americans in the definition of a Minority Business Enterprise. However, when the Human Rights Commission reanalyzed the status of Native American firms in 1989, there was insufficient statistical evidence of discrimination against Native American firms in the awarding of City contracts to conclude that Native American firms should be given preferential treatment in the awarding of contracts, according to Mr. Lee. Therefore, Native American firms are not included in the current (1989) Minority/Women/Local Business Enterprise Ordinance definition of Minorities.

3. Mr. Lee reports that the Human Rights Commission is currently conducting a survey to determine the number of existing Native American businesses in the City. Mr. Lee anticipates that the survey will be completed by September 27, 1993 and that he will be available to report on the results of the survey at the September 28, 1993 Economic Vitality and Social Policy Committee meeting.

Item 2 - File 284-93-3

Note: This item was continued from the August 24, 1993 Economic Vitality and Social Policy Committee meeting.

1. This item is a hearing to consider compliance of the Minority/Women/Local Business Enterprise Ordinance relating to contracts and subcontracts, such as concessions, leases and City towing.

2. The Minority/Women/Local Business Enterprise Ordinance currently applies to prime contractors and specifically to three areas of subcontractors that are named in the Ordinance: 1) public works construction, 2) architectural services and 3) engineering services. The Minority/Women/Local Business Enterprise Ordinance does not apply to subcontracts in other areas.

3. In addition to concessions, leases and City towing, initially this hearing included consideration of the MBE/WBE/LBE compliance of parking lots, janitorial services and security services. Mr. Edwin Lee of the Human Rights Commission, however, reported the following:

- Parking lot management firms contracting with the Department of Parking and Traffic are considered to be professional management consultants and are therefore subject to the Minority/Women/Local Business Enterprise Ordinance.

- Janitorial and security service contracts with the City are considered to be general service contracts which are subject to the Minority/Women/Local Business Enterprise Ordinance.

The Human Rights Commission maintains compliance data on parking lot management firms and on janitorial and security service firms but does not have a summary of such compliance, as of the writing of this report. This hearing was amended to remove parking lots and janitorial and security services, since as noted above, such contracts are currently subject to the City's MBE/WBE/LBE Ordinance.

4. According to Mr. Lee, concessions (and leases) are not subject to the Minority/Women/Local Business Enterprise Ordinance because the Human Rights Commission has not been able to develop sufficient statistical evidence to show that such agreements result in discrimination. However, Mr. Lee reports that the Human Rights Commission is currently conducting a survey of the major City departments' in order to provide a better understanding of the City's concession and lease arrangements. The major City departments included in this survey are the Airport, Port, Public Works, Recreation and Park, Parking and Traffic and Real Estate. Mr. Lee will be available at the September 28, 1993 Economic Vitality and Social Policy Committee meeting to provide some preliminary results from this survey.

5. City towing agreements with the Department of Parking and Traffic are considered to fall into the category of leases and concessions which, as stated above, are not subject to the Minority/Women/Local Business Enterprise Ordinance. However, Mr. Lee notes that the Human Rights Commission is presently working with City Tow, the master towing contractor, to negotiate written MBE/WBE/LBE policies, under which the City towing contractor would operate.

Item 3 File 222-93-3

1. The proposed resolution would urge the Mayor to (a) urge the Civil Service Commission to investigate the Department of Social Services' practices regarding layoffs, reassignments, the bumping system and pay increases used for all classes of employees with over nine years of employment with the Department of Social Services (DSS), (b) ascertain whether Civil Service rules have been strictly adhered to in a judicious non-discriminatory manner, particularly as a result of Departmental budget cuts for FY 1992-93, and (c) urge the Civil Service Commission to report its findings to the Board of Supervisors, in writing, by November 1, 1993.

2. According to the proposed resolution, many employees with over nine years of service with the DSS have expressed concerns that the DSS has not strictly adhered to Civil Service Commission rules concerning layoffs, reassignments, the bumping system and pay increases overall and particularly in connection with the internal budget cuts made by DSS for FY 1992-93.

3. Ms. Dorothy Yee, Assistant Manager of Equal Employment Opportunity of the Civil Service Commission, advises that she will be present at the Economic Vitality and Social Services meeting on September 28, 1993 and will be available for questions and comments regarding the Civil Service Commission's proposed role in this matter.

4. As of the writing of this report, Ms. Mary Smith of the Personnel Division of the DSS reports that the DSS is preparing a memo in response to the proposed resolution, which will be submitted the Board of Supervisors prior to the Economic Vitality and Social Services meeting on September 28, 1993.

Item 4 - File 97-92-69

1. This item is a draft ordinance establishing a line of credit loan guarantee program.

2. According to the proposed draft ordinance, healthy, active banking institutions are essential to the economic well-being of City residents and businesses. The proposed ordinance would encourage the City Treasurer to do more business with those banks that foster economic growth through providing fair lending practices and equitable provision of services to low- and moderate-income areas in San Francisco. This would be accomplished by requiring banks that do business with the City to submit a form disclosing the following information:

(a) Housing, consumer, and commercial (including small business) lending activity by census tract;

(b) Provision of banking services throughout the City by geographic area; and

(c) Lending for economic development and affordable housing development throughout the City by geographic area.

The proposed ordinance would require that such forms be submitted to the City Treasurer annually. The Treasurer would use the forms to evaluate banking institutions and rank them according to their performance. The Treasurer could then reward banks that are found to encourage community economic activity the most with more City business, and withdraw business from such banks as are ranked lower.

3. Although the title of the proposed ordinance is "Draft ordinance establishing a line of credit loan guarantee program," the proposed ordinance would not establish a loan guarantee program, but rather would reward banks that foster the economic interests of low- and moderate-income areas of the City.

4. According to the proposed ordinance, in order to protect the City's interests, the Board of Supervisors could exempt City banking transactions from the proposed ordinance, if application of the ordinance would be contrary to the best interests of the City.

5. This proposed ordinance was referred to the Mayor on December 10, 1992, for review and comment. In response, the Mayor's Office prepared a memo that was forwarded to the Clerk of the Board on December 31, 1992. This memo states: "We believe that the ordinance in its present form would not achieve [its stated] objectives. We also believe that the ordinance in its present form could have a significant negative effect on employment, income, and tax revenues to the City." According to back-up information provided by the Mayor, this negative effect would result from the alienation of the banking industry in San Francisco. However, the Mayor expressed willingness to work with the Board of Supervisors to address "the perceived programs that motivate this draft ordinance."

6. A version of the proposed ordinance was referred to the City Attorney for preparation and approval as to form on December 10, 1992. According to Mr. Scott Emblidge of the City Attorney's Office, in June, 1993, the City Attorney's Office prepared an updated draft of the proposed ordinance. This updated draft and the first draft are currently in the file, but neither draft has been approved as to form.

7. According to Ms. Mary Callanan, Treasurer, the City of Los Angeles has approved a similar ordinance to this proposed ordinance, but has been unable to implement such an ordinance because of complications arising from defining the required information. Also, Ms. Callanan advises that at least four departments of the Federal government have attempted to achieve the same goals as the proposed ordinance, including the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision.

8. Ms. Callanan reports that it is the policy of the Treasurer (a) to make deposits of City monies in banks, (b) to make investments of securities offered by banks and (c) to use other banking services such as underwriting of bond issues based on competitive bidding procedures. In selecting a contractor, the Treasurer reviews, for example, the financial and transactional capacity of the bidder, its financial backing, and areas where the bank hires employees. The proposed ranking system could be another consideration in the competitive bidding process, according to Ms. Callanan.

Recommendation

Approval of the proposed legislation is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Theresa Lee
Ted Lakey

DOCUMENTS DEPT.
NOV 3 0 1993
SAN FRANCISCO
PUBLIC LIBRARY

CALENDAR

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

TUESDAY, October 26, 1993 2:00 PM ROOM 228, City Hall

MEMBERS: Supervisors Willie Kennedy, Barbara Kaufman, Annemarie Conroy

CLERK: Joni Blanchard

* * * * * * * * * * * * * * *

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.

Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.

Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call the accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accomodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accomodate these individuals.

1. File 121-93-13. Hearing to consider strengthening laws on stalking and harassing by making all violations of California Penal Code Section 646.9 a felony and by removing the requirement of a "reasonable fear of death or great bodily injury" from the definition of stalking/harassment. (Supervisors Alioto, Bierman)

   ACTION:

2. File 121-93-13.1. [Stalking] Ordinance amending Police Code adding Section 259.3 requiring notice to potential victims upon release of a stalker. (Supervisor Alioto)

   ACTION:

3. File 284-93-2. Hearing to consider amending Administrative Code Section 12D to include Native Americans in Minority, Women, Local Business Enterprise Ordinance. (Supervisor Kennedy)

   (Continued from 9/28/93)

   ACTION:

4. File 97-92-47. Hearing to consider amending Administrative Code Section 10.213, E.4.(a) thru (d) to require all City contracts with companies who do not sign the declaration compliance with the South Africa divestiture ordinance be reviewed and approved by the Board of Supervisors. (Supervisor Kennedy)

   (Continued from 8/10/93)

   ACTION:

5. File 217-93-3. Hearing to consider feasibility of the Human Rights Commission providing oversight for the South Africa Divestiture ordinance. (Supervisor Kennedy)

   (Continued from 8/24/93)

   ACTION:

6. File 97-93-57. [South Africa Divestment] Ordinance amending Administrative Code adding Section 10.221 suspending for six months beginning January, 1994, the City's prohibition against certain uses of or agreements involving city funds with persons, financial institutions or other businesses having specified relations with either the government of South Africa or certain private entities doing business with or in South Africa. (Supervisor Kennedy)

   ACTION:

7. File 97-93-53. [South Africa Divestment] Substitute ordinance amending Administrative Code by repealing Sections 10.210 through 10.220 prohibiting certain uses of or agreements involving city funds with persons, financial institutions or other businesses having specified relations with either the government of South Africa or certain private entities doing business with or in South Africa. (Supervisor Maher)

   ACTION:

8. File 185-93-1. Hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community-based organization. (Supervisor Kennedy)

   (Continued from 9/14/93)

   ACTION:

CitiReport

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

October 22, 1993

DOCUMENTS DEPT.
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: October 26, 1993 Economic Vitality and Social Policy Committee Meeting

Item 3 - File 284-93-2

Note: This item was continued from the September 28, 1993 Economic Vitality and Social Policy Committee meeting.

1. This item is a hearing to consider amending the San Francisco Administrative Code Section 12D to include Native Americans in the Minority/Women/Local Business Enterprise Ordinance.

2. Mr. Edwin Lee of the Human Rights Commission indicates that the original Minority/Women/Local Business Enterprise Ordinance included provisions for Native Americans in the definition of a Minority Business Enterprise. However, when the Human Rights Commission reanalyzed the status of Native American firms in 1989, there was insufficient statistical evidence of discrimination against Native American firms in the awarding of City contracts to conclude that Native American firms should be given preferential treatment in the awarding of contracts, according to Mr. Lee. Therefore, Native American firms are not included in the current (1989) Minority/Women/Local Business Enterprise Ordinance definition of Minorities.

3. Mr. Lee reports that he recently met with representatives of the United Indian Nations, Inc. (UNI), an umbrella organization for Bay Area Indians, which provides a framework and support for self-employment and economic development of Indians. According to the 1990 U.S. Census, only one percent of San Francisco businesses are owned by Native Americans and UNI estimates that there may be 20-22 such businesses in San Francisco. According to Mr. Lee,

UNI has recently compiled lists of Native American business owners and individuals in management positions of corporations in the Bay Area.

4. Given the small number of Native American businesses in the City, Mr. Lee reports that, based on advice from the City Attorney, it would be extremely difficult for the Board of Supervisors to adopt sufficient findings to lawfully include Native Americans, under the City's MBE/WBE/LBE Ordinance. According to Mr. Lee, the required statistical disparity for inclusion in the MBE/WBE/LBE Ordinance for San Francisco-based firms could not be shown for Native Americans.

5. However, Mr. Lee is recommending that a MBE/WBE/LBE Development Program for Native American businesses be implemented, which would increase the presence and availability of Native American firms to conduct business with the City. Mr. Lee has developed a proposed resolution to establish such a development program for Native American businesses, which has been forwarded to each member of the Economic Vitality and Social Policy Committee. Mr. Lee will attend the October 26, 1993 Economic Vitality and Social Policy Committee meeting to respond to questions from the Committee members regarding the available data on Native American businesses and the proposed Development Program for Native Americans in San Francisco.

Item 4 - File 97-92-47

Note: This item was continued at the Economic and Social Policy Committee meeting of August 10, 1993.

Item: Hearing to consider amending Administrative Code Section 10.213.E.4. (a) through (d) to require that all City contracts with companies that do not sign the declaration of compliance with the South Africa divestiture ordinance be reviewed and approved by the Board of Supervisors.

Description: Section 10.213 of the Administrative Code, "Contractual Services, Real and Personal Property Agreements," defines prohibited transactions, specifies contract conditions and declarations required, and provides conditions under which the foregoing will not be applicable, with respect to business relationships with the government of South Africa or with other entities doing business in South Africa.

Section 10.213 A., "Prohibited Transactions," is concerned with business relations with South Africa and defines "prohibited transactions" as those transactions that involve either a prohibited ownership interest, as defined in Section 10.211(k) of the Administrative Code, or involve providing goods or services to (1) the government of South Africa; (2) any business or entity organized under the laws of South Africa; or (3) any business entity for the express purpose of assisting that business' operations in, or that business' trading with, any public or private entity located in South Africa. Section 10.213 A. provides that the City will not enter into an agreement for contractual services or any lease, permit, license or other agreement for the use or sale of the City's real or personal property with entities engaged in such prohibited transactions, subject to the exceptions provided in Section 10.213.E.

Section 10.213.B., "Contract Condition," requires that each contract for services, or for the use or sale of the City's real or personal property, include as a material condition to that agreement that the contractor does not have a prohibited ownership interest and that the contractor is not the government of South Africa, an entity organized under the laws of South Africa, or an entity doing business in South Africa.

Section 10.213.D. "Declaration Required," provides that contracting officers, prior to entering into a lease, permit, or other agreement for the use or sale of the City's real or personal property, or prior to contracting with any business

entity for the provision of contractual services not subject to competitive and sealed bid, obtain a declaration under penalty of perjury, on a form prescribed by the Purchaser, certifying that the business entity does not have any relationship of the type listed in Section 10.213.A., cited above. For contracts subject to competitive and sealed bids, except as prohibited by State or federal law or regulation, all contracting entities of the City shall require the declaration as a material part of any bid. Subject to the provisions of Section 10.213.E., described below, failure to include the declaration in any bid shall make such bid a non responsive bid.

Section 10.213.E., "Non-applicability; Findings: Alternate Selection," provides that the foregoing provisions shall not apply to contracts entered into prior to March 9, 1986, or to contracts for an aggregate value of $5,000 or less, or under certain other conditions, such as leases, permits, or other agreements of nominal value. Section 10.213.E. also specifies that the foregoing provisions shall not apply when the contracting officer finds that (1) no other entity is capable of performing the desired function; (2) the City would incur a financial loss which, in the opinion of the contracting officer would violate his or her fiduciary duties; (3) the inclusion of the provisions would violate or be inconsistent with the terms or conditions with a grant, subvention or contract with an agency of the State of California or the United States; or (4) the inclusion or application of such provisions would violate or be inconsistent with the laws of the State or Federal government.

This hearing is to consider requiring that the Board of Supervisors approve all contracts granted an exception by the contracting officer under conditions (1) through (4) in the preceding paragraph.

Comments:

1. As previously stated, this hearing concerns amending the Administrative Code to provide that the Board of Supervisors approve all contractual agreements for services and for use or sale of the City's real or personal property with any business entity having a prohibited relationship involving South Africa. Sections 10.212 and 10.214 of the Administrative Code, "Deposit and Investment of City Funds," and "Purchase of Commodities," respectively, which also control the City's contractual relations with entities involved with South Africa, are not currently included in the subject matter of the hearing.

2. Staff responsibility for administering the various provisions of the Administrative Code controlling contracting relations with entities involved with South Africa, other than for construction and real property contracts, resides with the Purchaser of Supplies. The Purchasing Department, working in conjunction with the Information Systems Division (ISD) of the Controller's Office, has provided the Budget Analyst with a Financial Accounting and Management Information System (FAMIS) report that lists a total of 385 services contracts entered into between July 1, 1992, and November 3, 1992, that would be subject to the amended provisions of Administrative Code Section 10.213.E.4. At the same rate of contracting, 1,155 such contracts would be reported on an annual basis.

3. Mr. Marc Rosaaen of the Purchasing Department reports that there are some categories of service contracts that are included in the total of 385 contracts, such as contracts for printing, that the Board of Supervisors might desire not to approve on an individual basis. Such a policy decision would reduce the number of contracts subject to review. However, Mr. Rosaaen also states that since Purchasing does not review construction contracts and since they are not included in the previously discussed FAMIS report, the total workload required to review such contracts by the Board of Supervisors would add to the total workload.

4. Mr. Rosaaen reports that the workload impact on the Purchasing Department should legislation be ultimately enacted requiring the Board of Supervisors to approve contracts with companies that do not sign the declaration of compliance with the South Africa divestiture ordinance, would range from very little involvement to that of attending committee meetings of the Board of Supervisors and providing additional information, as requested.

5. It should be noted that Items 6 and 7 - Files 97-93-57 and 97-93-53 of this report are two proposals that would either repeal or suspend the South Africa Ordinance for six months, respectively. The sponsor of this proposed legislation advises that when or whether the proposed hearing should be conducted will be contingent upon the Board of Supervisors approval of one or the other of these two proposals.

Item 5 - File 217-93-3

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of August 24, 1993.

1. This item is a hearing to consider the feasibility of the Human Rights Commission providing oversight for the South Africa Divestiture Ordinance.

2. The Purchaser's Office currently administers the acquisition of materials, supplies and equipment from vendors and suppliers, in accordance the South Africa Divestiture Ordinance. The Purchaser's Office submits semiannual reports to the Board of Supervisors detailing purchasing activities regarding the South Africa Divestiture Ordinance.

3. As of the writing of this report, Mr. Edwin Lee of the Human Rights Commission, advises that he has not yet analyzed the assumption of oversight duties for the South Africa Divestiture Ordinance, as he is awaiting information regarding the status of this Ordinance. Items 6 and 7, Files 97-93-57 and 97-93-53 of this report are two proposals that would either repeal or suspend the South Africa Ordinance for six months, respectively.

Items 6 and 7 Files 97-93-57 and 97-93-53

1. The proposed ordinance (File 97-93-53) would amend Chapter 10 of the Administrative Code by repealing Article XIX, Section 10.210 through 10.220 which prohibits certain agreements or uses of City funds in connection with (1) persons, financial institutions or other businesses having specified relations with either the government of South Africa or (2) certain private entities doing business with or in South Africa.

2. The proposed ordinance (File 97-93-57) would amend Chapter 10, Article XIX by adding a new Section 10.221 to suspend for a period of six months, beginning in January of 1994, the City's prohibition against agreements or use of City funds in connection with (1) persons, financial institutions or other businesses having specified relations with either the government of South Africa or (2) certain private entities doing business with or in South Africa.

Comments

1. The Purchasing Department is responsible for administering the various provisions of the Administrative Code controlling all contracting relations with entities involved with South Africa, other than for construction and real property contracts. Mr. Marc Rosaaen of the Purchasing Department projects that if the proposed ordinance (File 97-93-57), which would provide for a six month suspension of the South Africa divestiture ordinance, is approved, the Purchasing Department would make the following changes in administering applicable contracts during the six month period: (1) the bid package would be revised to delete the affidavit declaring compliance with the South Africa divestiture ordinance, (2) staff would not verify the vendors status regarding divestment and (3) some or all of the contractual documents related to issues of divestment would be revised.

2. Mr. Marvin Geistlinger, Director of the Purchasing Department advises that if the South Africa divestiture ordinance is either suspended or repealed, the fiscal impact on the Purchasing Department would be minimal. According to Mr. Geistlinger, when the South Africa divestiture ordinance was initially implemented, the Purchasing Department received approximately $50,000 to develop policies and procedures for administering the provisions of the ordinance. Mr. Geistlinger states that these policies and procedures were developed in conjunction with the City Attorney's Office and the $50,000 was workordered to the City Attorney. Additionally, according to Mr. Geistlinger, the Purchasing Department received approximately $30,000 on a one-time basis for temporary salaries for a part-time Management Information System position to provide assistance in automating various procedures. Such temporary salary funds have been fully expended. Mr. Geistlinger advises that the Purchasing Department received no additional staff positions for the on-going administering of the provisions of the South Africa divestiture ordinance.

Recommendation

Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Item 8 - File 185-93-1

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of September 14, 1993.

Item: This item is a hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community based organizations.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the level of expenditures for services and programs for children. The Children's Amendment requires that the City maintain a level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater, and sets aside a certain percentage of property tax revenues to fund additional services above and beyond the level of services funded prior to adoption of the Children's Amendment.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

The Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $43.5 million for fiscal year 1991-92. This baseline amount of approximately $43.5 million, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. Each succeeding year the baseline amount is adjusted by the percentage change in City appropriations. For 1992-93, the change in City General Fund appropriations from 1991-92 was an increase of 1.94 percent resulting in a Children's Baseline for 1992-93 of approximately $44.3 million ($43.5 million plus approximately $0.8 million or 1.94%) For 1993-94, the change in City General Fund appropriations from 1992-93 is a decrease of 14.07 percent resulting in a Children's Baseline for 1993-94 of approximately $38.1 million ($44.3 million less approximately $6.2 million or 14.07%).

Although the Children's Baseline calculation indicates a minimum level of services to be provided by the City, the total actual amounts budgeted by the various City departments other than the Children's Fund (department) may differ from the Children's Baseline due to others factors such as a department's assessment of the need for a particular service to children. The 1992-93 Children's Fund budget was approximately $6.2 million. The total budgeted funding for children's services in all City departments for 1992-93 was approximately $52.3 million ($6.2 million budgeted in the Children's Fund plus approximately $46.1 million budgeted for children's services in other City departments). The Controller's Office estimates that the ad valorem tax revenue for the 1993-94 Children's Fund budget will be approximately $12.7 million, resulting in total estimated budgeted funding for all children's services, including approximately $46.8 million budgeted for children's services in other City departments, of approximately $59.5 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

The Children's Services Plan for 1993-94 as previously approved by the Board of Supervisors (File 185-92-5) is as follows:

SERVICE CATEGORIES

Childcare

Vouchers to Parents	$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
S. F. Unified Departmental Services	965,845
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	150,279
Total-Childcare	$3,069,926

Health and Social Services

Public Health Nurse - AFDC Intake	$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120
Homeless Families	56,250
Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
S. F. Unified Departmental Services	939,775
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	135,283
Total-Health and Social Services	$3,069,926

SERVICE CATEGORIES

Job Readiness, Training, and Placement

Dropout Prevention	$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workreation Expansion	64,590
Early Exposure - ages 12-14	130,510
S. F. Unified Departmental Services	980,625
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	235,875
Total-Job Readiness, Training, and Placement	$3,069,926

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
S. F. Unified Departmental Services	979,940
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	209,101
Total Library, Recr., Delinquency Prev., Educ.	$3,069,926
Total Service Categories	**$12,279,704**

ADMINISTRATIVE COSTS

Personnel (salaries and fringe benefits)	$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	20,800
Total Administrative Costs	**$920,296**
TOTAL CHILDREN'S PLAN	$13,200,000

Comments: 1. The Children's Services Plan for 1993-94 as approved by the Board of Supervisors includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the S. F. Unified School District) Departmental Services fund and also includes a total of $563,225 that is allocated for Special Projects as follows:

Service Category	San Francisco Unified Departmental Services	Special Projects
Childcare	$965,845	$141,365
Health and Social Services	939,775	136,690
Job Readiness, Training, and Placement	980,625	142,635
Library, Recreation, Delinquency Prevention, Education	979,940	142,535
Total	$3,866,185	$563,225

2. The San Francisco Unified Departmental Services fund (also known as the Community Based Organization [CBO]/Departments Collaboration fund) will be administered by the MOCYF to obtain children's services provided jointly by the San Francisco Unified School District, other City departments, the Private Industry Council (PIC) and other community based organizations. Mr. Alan Smith of the Mayor's Office of Children, Youth and their Families reports that because the final $12.7 million estimate of ad valorem revenues for 1993-94 is less than the $13.2 estimate that was the basis for preparation of the Children's Services Plan for 1993-94, expenditures for the San Francisco Unified Departmental Services fund will be reduced by the $0.5 million difference ($13.2 million less $12.7 million) from the approximately $3.9 million shown in Comment 1, above, to approximately $3.4 million.

3. The Economic Vitality and Social Policy Committee directed the Mayor's Office of Children, Youth and their Families to report back to the Committee on the specific details of the proposed expenditures of $3,866,185 (reduced to approximately $3.4 million, see Comment 2, above) for San Francisco Unified Departmental Services, $563,225 for Special Projects and $249,772 for Professional Services in the Administrative Costs category and the overall status of their administrative expenses, including the number of administrative positions. The Mayor's Office of Children, Youth and Their Families indicates that they will make their responses to the Committee at the hearing.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Theresa Lee
Ted Lakey

DOCUMENTS DEPT.
NOV 30 1993
SAN FRANCISCO
PUBLIC LIBRARY

.238
9/93

CALENDAR

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

TUESDAY, November 9, 1993 2:00 PM ROOM 228, City Hall

MEMBERS: Supervisors Willie Kennedy, Barbara Kaufman, Annemarie Conroy

CLERK: Joni Blanchard

* * * * * * * * * * * * * * *

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call the accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accomodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accomodate these individuals.

1. File 7-93-18. Hearing to consider Municipal Railway's practice of using employee's social security number as the worker identification number. (Supervisor Kennedy)

   ACTION:

2. File 207-93-18. Hearing to consider the lieutenant's examination for the San Francisco Police Department. (Supervisor Kennedy)

   ACTION:

3. File 284-93-4. Hearing to consider alleged unfair practices toward African-American trucking businesses. (Supervisor Kennedy)

   ACTION:

4. File 123-93-2. [Graffiti Abatement] Substitute ordinance amending Public Works Code by enacting Article 23, Sections 1300 through 1309 prohibiting graffiti on public and private property, declaring the existence of graffiti on public and private property to be a nuisance, authorizing the Director of the Department of Public Works to order the removal of graffiti and authorizing the Department of Public Works to impose a lien on private property in order to recover the cost of graffiti abatement. (Supervisor Conroy)

   FISCAL IMPACT

   ACTION:

Economic Vitality & Social Policy Committee
San Francisco Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

Important Hearing Notice!

0.238
3
19/93

CITY AND COUNTY OF SAN FRANCISCO *City Report*

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 5, 1993

DOCUMENTS DEPT
SEP 26 2000
SAN FRANCISCO
PUBLIC LIBRARY

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: November 9, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 File 7-93-18

1. This item is a hearing to consider the Municipal Railway's practice of using employees' social security numbers as worker identification numbers.

2. The Municipal Railway (MUNI) (along with every other employer) is required to use employees' social security numbers in order for employees to be included in the payroll of the employers. The social security numbers are used for purposes of paying and tracking employee wages and taxation.

3. According to Ms. Kathleen Gilbert of the Municipal Railway, one MUNI Platform Operator obtained the social security numbers and other personal information, such as address and telephone numbers, of five other MUNI Transit Operators. How this information was obtained is not known definitively at this time. The individual used this personal information to apply for credit illegally. The Municipal Railway employee has been convicted of mail fraud and other crimes and is now in State prison.

4. MUNI posts lists of bus routes on a quarterly basis. MUNI Transit Operators sign up for their preferred bus transport routes, and are assigned to such routes according to seniority and preference factors. The wife of a MUNI employee expressed concern in a letter (contained in the Board of Supervisors file) that MUNI posts the social security numbers along with the names of the Transit Operators during the quarterly posting. However, Ms. Gilbert advises that only the four-digit MUNI identification number is posted, which is not the same as the social security number. According to Ms. Gilbert, social security numbers have never been posted in a location that could be observed by others.

5. According to Ms. Gilbert, the Public Utilities Commission (PUC) Payroll Division provides reports to MUNI dispatchers regarding hours worked by MUNI operators. Mr. Gilbert states that such reports include the operators' social security numbers. Dispatchers use those reports to confirm hours worked if and when operators believe that errors in their paychecks were made. According to Ms. Gilbert, these are the only reports provided to MUNI employees that include employee social security numbers and these reports are available only to MUNI Dispatchers. The above-noted MUNI employee who obtained and misused the social security numbers and personal information of other MUNI employees was not a Dispatcher. His classification was Transit Operator. Nevertheless, Ms. Gilbert reports that MUNI has requested that the PUC Payroll Division eliminate employee social security numbers from those reports.

6. The Acting General Superintendent of MUNI issued a memo on September 22, 1993 to all MUNI Division Superintendents directing the Superintendents to keep all employees' personnel data secure. The memo did not define "secure." This memo states that only authorized staff may have access to confidential personnel information, and that no other employees may be granted access to confidential personnel information unless permission is obtained from Division Superintendents. Violation of these directives may result in disciplinary action, according to the memo.

Item 4 - File 123-93-2

Department: Department of Public Works (DPW)

Item: Ordinance amending Chapter X of the San Francisco Municipal Code (Public Works Code) by enacting a new Article 23, Sections 1300 through 1309, prohibiting graffiti on public and private property, declaring the existence of graffiti on public or private property to be a nuisance, authorizing the Director of the Department of Public Works to order the removal of graffiti and authorizing the Department of Public Works to impose a lien on private property in order to recover the cost of graffiti abatement under certain circumstances.

Description: The proposed ordinance would amend the City's Public Works Code to require property owners to have graffiti removed within seven days of receiving notice from the Department of Public Works. "Graffiti" would be defined as an unauthorized writing or marking. Thus, property owners would be able to place certain markings on their property that would not have to be removed. (However, this would not prevent the Director of DPW from ordering the removal of such markings, if the Director ruled that such markings were graffiti and therefore a nuisance).

In instances where a property owner consents to removal of unauthorized markings as identified by the DPW, the owners would have the option of removing the markings themselves, or having the markings removed by DPW at no charge to the owners (see Comment #2). However, where consent to remove unauthorized markings by property owners is not forthcoming to the DPW, the DPW would be authorized to issue a formal notice (allowing seven days), ordering that the owner either remove the graffiti, consent to removal by DPW or request a hearing before the Director of the DPW.

In instances where the owner has not consented to removal following the notice and hearing (if requested by the owner), DPW would be authorized to take action to abate the graffiti. The proposed ordinance would authorize DPW to bill the owner for the cost of removal in these circumstances, initiate cost recovery proceedings, and if necessary, impose a lien on the property to recover costs.

DPW would only be authorized to remove graffiti from property owned by public entities, other than the City, upon receiving consent from an authorized representative of the publicly-owned entity having jurisdiction over the property.

Comments:

1. In April 1993, a proposed ordinance which would amend the Public Works Code by enacting a new Article 23, was introduced under this file number (File 123-93-2). The currently proposed ordinance (File 123-93-2) is being substituted for that previous ordinance.

2. On October 25, 1993, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-93-13) in the amount of $363,000 to be used to support a new Graffiti Abatement Program (funded through the General Fund Restoration Reserve in the 1993-94 budget) for a period of seven months (December 1, 1993 to June 30, 1994). That supplemental appropriation for the Graffiti Abatement Program provided monies for temporary personnel, equipment, materials and supplies which will be used to supplement existing DPW staff in order to clean up graffiti throughout the City. The Graffiti Abatement Program would provide graffiti removal services for both public and private buildings.

3. Mr. John Roumbanis of the DPW advises that the proposed ordinance provides the DPW with a legal framework in which to fully implement the previously approved Graffiti Abatement Program.

4. According to Mr. Roumbanis, the estimated annual administrative and support costs associated with the proposed ordinance would be $150,000 as follows:

Salaries (2) 8280 Environmental Control Officers at $42,780 annual salary	$85,560
Fringe Benefits	17,263
DPW Overhead	44,177
Materials and Supplies	3,000
Total	$150,000

For FY 1993-94, the seven month estimate (December 1, 1993 through June 30, 1994) for these administrative and support costs would be $87,500.

Mr. Roumbanis advises that the two Environmental Control Officer positions, would be used to coordinate the implementation of the proposed ordinance with the previously approved Graffiti Abatement Program and to perform documentation and field inspection work associated with the graffiti identification and abatement process.

5. As of the writing of this report, Mr. Roumbanis cannot estimate the amount of revenues that the City would recover as a result of cost recovery proceedings. However, Mr. Roumbanis expects that the total amount of revenue would be small based on the fact that he expects most property owners to comply with the proposed ordinance without the necessity of assessing charges to property owners.

6. A funding source to support this proposed legislation has not yet been identified.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

DOCUMENTS DEPT.
NOV 3 1993
SAN FRANCISCO
PUBLIC LIBRARY

238
2/93

CALENDAR

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

TUESDAY, November 23, 1993 2:00 PM ROOM 228, City Hall

MEMBERS: Supervisors Willie Kennedy, Barbara Kaufman, Annemarie Conroy

CLERK: Joni Blanchard

. . . . . .

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
For a large print copy of an agenda, contact Moe Vasquez at (415) 554-4909.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call the accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accomodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accomodate these individuals.

1. File 207-93-19. Hearing to consider the lieutenant's examination for the San Francisco Police Department. (Supervisor Kennedy)

(Consideration continued from 11/9/93)

ACTION:

2. File 185-93-1. Hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community-based organizations. (Supervisor Kennedy)

(Consideration continued from 10/26/93)

ACTION:

3. File 206-93-7. [Geneva Towers Apartments Management/Tenant] Hearing to consider the conditions and problems with management and tenants at the Geneva Towers Apartments. (Supervisor Kennedy).

ACTION:

4. File 123-93-2. [Graffiti Abatement] Ordinance amending Public Works Code by enacting Article 23, Sections 1300 through 1309 prohibiting graffiti on public and private property, declaring the existence of graffiti on public and private property to be a nuisance, authorizing the Director of the Department of Public Works to order the removal of graffiti and authorizing the Department of Public Works to impose a lien on private property in order to recover the cost of graffiti abatement. (Supervisor Conroy)

(Consideration continued from 11/9/93)

FISCAL IMPACT

ACTION:

5. File 218-93-13. [Graffiti Policy, Urge Police Commission] Resolution declaring that the City policy of the City and County of San Francisco is to deter graffiti and urging the San Francisco Police Commission to direct the San Francisco Police Department to make graffiti prevention a top priority of police officers at kiosk and district stations in an effort to pursue aggressively graffiti vandals. (Supervisor Conroy)

ACTION:

6. File 218-93-14. [Graffiti Patrols, Urge Police Commission] Resolution urging the Mayor to urge the Police Commission to urge the Chief of Police to create graffiti patrols to be staffed by police officers and police officer reserves in order to deter graffiti vandals. (Supervisor Conroy)

ACTION:

7. File 218-93-18. Resolution urging the San Francisco Giants and the San Francisco Forty-niners to join in the City's anti-graffit efforts by assisting in a public awareness and public relations campaign. (Supervisor Conroy)

ACTION:

8. File 7-93-14. Hearing to consider youth crime and safety issues on the Municipal Railway. (Supervisor Conroy)

ACTION:

9. File 97-92-69. [City Utilization of Banking Institutions] Draft ordinance amending the Administrative Code by adding Chapter directing the City Treasurer to collect information regarding the lending practices of banking institutions, evaluate the performance of those institutions in serving all segments of the community, and consider the performance of those institutions in making decisions regarding the deposit of city funds to the extent consistent with the treasurer's legal and fiduciary duties. (Supervisor Kennedy)

(Consideration continued from 9/28/93)

ACTION:

10. File 97-93-52. [Interest Rates on Security Deposits] Ordinance amending Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate earned on one year treasury bills as of the date the lease is executed. (Supervisor Kennedy)

ACTION:

Public Library Documents
Dept. ATTN: Jane Hudson

K
90.238
3
1/23/93

CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
NOV 23 1993
SAN FRANCISCO
PUBLIC LIBRARY

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 MARKET STREET, SUITE 1025
SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

November 19, 1993

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: November 23, 1993 Economic Vitality and Social Policy Committee Meeting

Item 2 - File 185-93-1

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of October 26, 1993.

Item: This item is a hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community based organizations.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the level of expenditures for services and programs for children. The Children's Amendment requires that the City (a) maintain a baseline level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater (adjusted by the percentage change in City appropriations for years after 1991-92) and (b) set aside a certain percentage of property tax revenues to fund additional services above and beyond the baseline level of services.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

The Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $43.5 million for fiscal year 1991-92. This baseline amount of approximately $43.5 million for fiscal year 1991-92, adjusted by the percentage change in City appropriation in subsequent years, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. For 1992-93, the change in City General Fund appropriations from 1991-92 was an increase of 1.94 percent resulting in a Children's Baseline for 1992-93 of approximately $44.3 million ($43.5 million plus approximately $0.8 million or 1.94%) For 1993-94, the change in City General Fund appropriations from 1992-93 is a decrease of 14.07 percent resulting in a Children's Baseline for 1993-94 of approximately $38.1 million ($44.3 million less approximately $6.2 million or 14.07%).

Although the Children's Baseline calculation indicates a minimum level of services to be provided by the City, the total actual amounts budgeted by the various City departments other than the Children's Fund (department) may differ from the Children's Baseline due to others factors such as a department's assessment of the need for a particular service to children. The 1992-93 Children's Fund budget was approximately $6.2 million. The total budgeted funding for children's services in all City departments for 1992-93 was approximately $52.3 million ($6.2 million budgeted in the Children's Fund plus approximately $46.1 million budgeted for children's services in other City departments). The Controller's Office estimates that the ad valorem tax revenue for the 1993-94 Children's Fund budget will be approximately $12.7 million, resulting in total estimated budgeted funding for all children's services, including approximately $46.8 million budgeted for children's services in other City departments, of approximately $59.5 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and

social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

The Children's Services Plan for 1993-94 as previously approved by the Board of Supervisors (File 185-92-5) is as follows:

SERVICE CATEGORIES

Childcare

Vouchers to Parents	$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
S. F. Unified Departmental Services	965,845
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	150,279
Total-Childcare	$3,069,926

Health and Social Services

Public Health Nurse - AFDC Intake	$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120

SERVICE CATEGORIES

Homeless Families	$56,250
Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
S. F. Unified Departmental Services	939,775
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	135,283
Total-Health and Social Services	$3,069,926

Job Readiness, Training, and Placement

Dropout Prevention	$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workreation Expansion	64,590
Early Exposure - ages 12-14	130,510
S. F. Unified Departmental Services	980,625
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	235,875
Total-Job Readiness, Training, and Placement	$3,069,926

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
S. F. Unified Departmental Services	979,940
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	209,101
Total Library, Recr., Delinquency Prev., Educ.	$3,069,926

Total Service Categories	**$12,279,704**

ADMINISTRATIVE COSTS	
Personnel (salaries and fringe benefits)	$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	20,800
Total Administrative Costs	**$920,296**
TOTAL CHILDREN'S PLAN	**$13,200,000**

Comments:

1. The Children's Services Plan for 1993-94 as approved by the Board of Supervisors includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the San Francisco Unified School District) Departmental Services fund and also includes a total of $563,225 that is allocated for Special Projects as follows:

Service Category	San Francisco Unified Departmental Services	Special Projects
Childcare	$965,845	$141,365
Health and Social Services	939,775	136,690
Job Readiness, Training, and Placement	980,625	142,635
Library, Recreation, Delinquency Prevention, Education	979,940	142,535
Total	$3,866,185	$563,225

2. The San Francisco Unified Departmental Services fund (also known as the Community Based Organization [CBO]/Departments Collaboration fund) will be administered by the MOCYF to obtain children's services provided jointly by the San Francisco Unified School District, other City departments, the Private Industry Council (PIC) and other community based organizations. Mr. Alan Smith of the Mayor's Office of Children, Youth and their Families reports that because the final $12.7 million estimate of ad valorem revenues for 1993-94 is $0.5 million less than the $13.2 estimate that was the basis for preparation of the Children's Services Plan for 1993-94, expenditures for the San Francisco Unified Departmental Services fund will be reduced by the $0.5 million difference ($13.2 million less $12.7 million) from the approximately $3.9 million shown in Comment 1, above, to approximately $3.4 million.

3. The Economic Vitality and Social Policy Committee directed the Mayor's Office of Children, Youth and their Families to report back to the Committee on the specific details of the proposed expenditures of $3,866,185 (reduced to approximately $3.4 million, see Comment 2, above) for San Francisco Unified Departmental Services, $563,225 for Special Projects and $249,772 for Professional Services in the Administrative Costs category and the overall status of their administrative expenses, including the number of administrative positions. The Mayor's Office of Children, Youth and Their Families indicates that they will make their responses to the Committee at the hearing.

Item 4 - File 123-93-2

Note: This item was continued from the November 9, 1993 Economic Vitality and Social Policy Committee.

Department: Department of Public Works (DPW)

Item: Ordinance amending Chapter X of the San Francisco Municipal Code (Public Works Code) by enacting a new Article 23, Sections 1300 through 1309, prohibiting graffiti on public and private property, declaring the existence of graffiti on public or private property to be a nuisance, authorizing the Director of the Department of Public Works to order the removal of graffiti and authorizing the Department of Public Works to impose a lien on private property in order to recover the cost of graffiti abatement under certain circumstances.

Description: The proposed ordinance would amend the City's Public Works Code to require property owners to have graffiti removed within seven days of receiving notice from the Department of Public Works. "Graffiti" would be defined as an unauthorized writing or marking. Thus, property owners would be able to place certain markings on their property that would not have to be removed. (However, this would not prevent the Director of DPW from ordering the removal of such markings, if the Director ruled that such markings were graffiti and therefore a nuisance).

In instances where a property owner consents to removal of unauthorized markings as identified by the DPW, the owners would have the option of removing the markings themselves, or having the markings removed by DPW at no charge to the owners (see Comment #2). However, where consent to remove unauthorized markings by property owners is not forthcoming to the DPW, the DPW would be authorized to issue a formal notice (allowing seven days), ordering that the owner either remove the graffiti, consent to removal by DPW or request a hearing before the Director of the DPW.

In instances where the owner has not consented to removal following the notice and hearing (if requested by the owner), DPW would be authorized to take action to abate the graffiti. The proposed ordinance would authorize DPW to bill the owner for the cost of removal in these circumstances, initiate cost recovery proceedings, and if necessary, impose a lien on the property to recover costs.

DPW would only be authorized to remove graffiti from property owned by public entities, other than the City, upon

receiving consent from an authorized representative of the publicly-owned entity having jurisdiction over the property.

Comments:

1. In April 1993, a proposed ordinance which would amend the Public Works Code by enacting a new Article 23, was introduced under this file number (File 123-93-2). The currently proposed ordinance (File 123-93-2) is being substituted for that previous ordinance.

2. The Budget Analyst has been informed by the sponsor of the proposed ordinance that an amendment of the whole which will make changes to the notification requirements of the proposed ordinance, is being drafted by the City Attorney's Office and will be submitted at the November 23, 1993 Economic Vitality and Social Policy Committee meeting.

3. On October 25, 1993, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-93-13) in the amount of $363,000 to be used to support a new Graffiti Abatement Program (funded through the General Fund Restoration Reserve in the 1993-94 budget) for a period of seven months (December 1, 1993 to June 30, 1994). That supplemental appropriation for the Graffiti Abatement Program provided monies for temporary personnel, equipment, materials and supplies which will be used to supplement existing DPW staff in order to clean up graffiti throughout the City. The Graffiti Abatement Program would provide graffiti removal services for both public and private buildings.

4. Mr. John Roumbanis of the DPW advises that the proposed ordinance provides the DPW with a legal framework in which to fully implement the previously approved Graffiti Abatement Program.

5. Mr. Roumbanis had previously estimated annual administrative and support costs of $150,000 to implement the proposed ordinance. Upon further examination of the requirements of the proposed ordinance, Mr. Roumbanis advises that the implementation of the proposed ordinance will be accomplished using existing DPW resources and will not result in additional costs to the City. However, the implementation of the proposed ordinance may result in reduced litter citations being issued by DPW Environmental Control staff, if existing Environmental Control staff focuses its efforts on graffiti prevention at the expense of litter prevention, according to Mr. Roumbanis.

6. As of the writing of this report, Mr. Roumbanis cannot estimate the amount of revenues that the City would recover as a result of cost recovery proceedings. However, Mr. Roumbanis expects that the total amount of revenue would be small based on the fact that he expects most property owners to comply with the proposed ordinance without the necessity of assessing charges to property owners.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Items 5, 6 and 7 - Files 218-93-13, 218-93-14, 218-93-18

Department: Police Department

Items: Resolution declaring that it is the policy of the City and County of San Francisco to deter graffiti and urging the San Francisco Police Commission to direct the San Francisco Police Department to make graffiti prevention a top priority of Police Officers at kiosk and district stations in an effort to pursue aggressively graffiti vandals (File 218-93-13).

Resolution urging the Mayor to urge the Police Commission to urge the Chief of Police to create graffiti patrols to be staffed by Police Officers and Police Officer Reserves in order to deter graffiti vandals (File 218-93-14).

Resolution urging the San Francisco Giants and the San Francisco Forty-Niners to join in the City's anti-graffiti efforts by assisting in a public awareness and public relations campaign (File 218-93-18).

Description: According to the proposed resolution (File 218-93-13), current policies and programs that provide for graffiti removal have not proven effective in curtailing graffiti activities, as witnessed by the fact that graffiti continues to be inscribed on publicly and privately owned property and continues to be a public nuisance. Thus, the proposed resolution (File 218-93-13) declares that City policy is to deter graffiti and urges the San Francisco Police Commission to direct the San Francisco Police Department to make graffiti prevention a top priority of Police Officers at kiosk and district stations.

According to the proposed resolution (File 218-93-14), the monitoring of graffiti "hot spots" (Muni yards, buildings that are the subject of repeated acts of graffiti, etc.) during the hours of 11:00 a.m. to 4:00 a.m. would substantially reduce the amount of graffiti inscribed on publicly and privately owned property. Thus, the proposed resolution urges the Mayor to urge the Police Commission to urge the Chief of Police to create graffiti patrols staffed by Police Officers and Police Officer Reserves (Police Officer Reserves are volunteer, non-sworn officers, who receive certified training as part of the Police Officer Reserve Program) to patrol graffiti "hot spots" between 11:00 a.m. and 4:00 a.m.

According to the proposed resolution (218-93-18), the San Francisco Giants and the San Francisco Forty-Niners possess a unique ability to get the anti-graffiti message across to thousands of San Francisco residents. Thus, the proposed

resolution (218-93-18) urges the San Francisco Giants and the San Francisco Forty-Niners to participate, as concerned citizens, in the City's anti-graffiti campaign by agreeing to participate in speaking engagements, educational campaigns and public advertising for the benefit of all San Francisco's citizens.

Comments:

1. The Budget Analyst has been informed by the sponsor of the proposed resolution (File 218-93-14) that an amendment will be submitted at the November 23, 1993 Economic Vitality and Social Policy Commitee to urge the Police Department to patrol graffiti "hot spots" from 11:00 p.m. (instead of 11:00 a.m.) to 4:00 a.m.

2. According to Deputy Police Chief Thomas Petrini, the Police Department is in the process of making graffiti prevention a top priority with its Police Officers. Chief Petrini advises that Sergeants in each of the nine District Stations have been instructed to develop plans to address graffiti (including graffiti patrols) with particular emphasis on the hours of 9:00 p.m. to 7:00 a.m. (hours in which the Police Department believes that most acts of graffiti take place).

3. Chief Petrini also advises that the Police Department will pursue the use of Police Officer Reserves for graffiti prevention to the extent possible. As volunteers, Police Officer Reserves usually have day jobs and are typically used for traffic control on weekends and for special events, according to Chief Petrini.

4. According to Chief Petrini, Police Officer Reserves are not compensated for their efforts, however, there are City costs associated with providing these Reserves with uniforms and training, etc. Chief Petrini advises that any Reserves used for graffiti prevention would be existing Reserves and thus would not result in additional costs to the City.

5. Chief Petrini estimates that there would be no additional costs to the City as a result of making graffiti prevention a top priority and patrolling graffiti "hot spots" between 11:00 p.m. and 4:00 a.m. However, the time expended on graffiti prevention results in less time expended on other Police responsibilities, according to Chief Petrini. As of the writing of this report, however, Chief Petrini is unable to estimate the amount of time that the Police Department spends on graffiti prevention.

6. According to Mr. Ron Juanso of the San Francisco Forty-Niners Public Relations Office, it is likely that some individuals within the Forty-Niners organization would be

interested in participating in the City's anti-graffiti campaign. Mr. Juanso advises that compensation is not required for this type of public service.

7. According to Mrs. Sue Peterson of the San Francisco Giants Media Relations Office, it is likely that some individuals within the Giants organization would be interested in participating in the City's anti-graffiti campaign. Mrs. Peterson also advises that compensation is not required for this type of public service.

Recommendation: Approval of the proposed resolutions are policy matters for the Board of Supervisors.

Item 8 -File 7-93-14

Department: Public Utilities Commission (PUC)
Municipal Railway (MUNI)

Item: Hearing to consider youth crime and safety issues on the Municipal Railway.

Description: The Police Department provides a Muni Transit Detail Unit, which is responsible for maintaining the public's safety by patrolling the Municipal Railway lines and services. The Muni Detail is composed of 35 Police Officers, five Sergeants and one Lieutenant, for a total of 41 employees. According to Lieutenant Fortner, the Officer in charge of the Muni Transit Detail, deployment of the staff within the Muni Transit Detail is done on the basis of need, determined through analysis of statistical reports maintained by the Police Department.

These statistical reports are compiled every three months, since December, 1992. The most recent report, (See Attachment) dated October 27, 1993, reflects the number of incidents reported for the ten month period from December 1, 1992 through September 30, 1993. These reports reflect data gathered from Muni Central Control Logs, Muni Passenger Service Reports, the Police Department's Computer Assisted Dispatch System, the Police Department's Incident Reports, Muni Transit Detail Work Sheets and direct calls from the public, the San Francisco Unified School District and other sources to the Muni Transit Detail.

As reflected in the attached report, incidents on the Municipal Railway are categorized according to the number of incident reports (1) per month; (2) by day of the week; (3) per Muni Line; (4) by time of the day; (5) by intersection location; and (6) by the type of trouble reported. As shown in this report, except for the month of March, 1993, when the number of trouble reports was 615, the number of trouble reports has averaged approximately 440 per month. There also appear to be more incidents reported on weekdays, than on weekends, with an increase in occurrences on Thursday and Friday. The two most troubled Muni lines are the 14-Mission and the 38-Geary. In terms of the time of day, the number of incidents reported peaks between 3 p.m. and 4 p.m., with the number of incidents reported being the highest between 12 noon. and 7 p.m. The most troubled location in the City is Mission Street and 16th Street. According to

type, the six most frequently reported incidents, in descending order are (1) transfer theft - 794 reports; (2) altercations between operators and passengers, degree of violence unknown - 637 reports; (3) windows smashed- 515 reports; (4) pick pockets - 489 reports; (5) altercations between passengers, degree of violence unknown - 379 reports; and (6) juvenile disturbances - 371 reports.

Comments:

1. Lieutenant Fortner reports that given the number of incidents reported by time of day, all 41 employees in the Muni Transit Detail are deployed between the hours of 2 p.m. and 6 p.m. According to Lieutenant Fortner, one shift works from 10 a.m. until 6 p.m. and the second shift works from 2 p.m. until 10 p.m.

2. Lieutenant Fortner notes that the number of incidents reported by the Police Department's Muni Transit Detail may differ from the number of incidents reported by the Municipal Railway because the Municipal Railway records incidents in terms of disruption of transit service. Furthermore, Lieutenant Fortner reports that the incident reports maintained by the Police Department's Muni Transit Detail do not reflect the total number of incidents that occur on-board Muni vehicles, because many incidents go unreported.

TO: Captain Lawrence Miniasian
Commanding Officer
Crime Prevention Company

FROM: Lieutenant Edward Fortner
Officer in Charge
Muni Transit Detail

DATE: 10/27/93

SUBJECT: Muni Trouble Reports for December 1992 through September 1993

Issue: Analysis of Trouble Reports on the Muni Transit System for the ten month period from December of 1992 through September of 1993.

Discussion: The below data was gathered from Muni Central Control Logs, Muni Passenger Service Reports, SFPD Computer Assisted Dispatch System, SFPD Incident Reports, Muni Transit Detail Work Sheets, and direct calls to the Muni Detail from a variety of sources.

Number of Trouble Reports per Month

December 1992	393
January 1993	449
February 1993	476
March 1993	615
April 1993	432
May 1993	470
June 1993	459
July	441
August	439
September	404

Number of Trouble Reports by Day of Week

Sunday	501
Monday	620
Tuesday	680
Wednesday	662
Thursday	705
Friday	772
Saturday	652

Number of Trouble Reports per Line

14 Line	480
38	342
15	279
22	228
9	205
29	142
30	175
48	122
49	134
24	103
1	104
5	109
6	65

Trouble Reports by Time of Day

00:00 - 01:00	45
01:00 - 02:00	27
02:00 - 03:00	24
03:00 - 04:00	19
04:00 - 05:00	11
05:00 - 06:00	37
06:00 - 07:00	111
07:00 - 08:00	217
08:00 - 09:00	218
09:00 - 10:00	185
10:00 - 11:00	195
11:00 - 12:00	217
12:00 - 13:00	270
13:00 - 14:00	312
14:00 - 15:00	334
15:00 - 16:00	519
16:00 - 17:00	395
17:00 - 18:00	375
18:00 - 19:00	291
19:00 - 20:00	244
20:00 - 21:00	216
21:00 - 22:00	146
22:00 - 23:00	108
23:00 - 24:00	84

Trouble Reports by Intersection Location

Mission Street & 16th Street	153
Embarcadero & Market Street	83
Mission and 1st Street	64
Market & Van Ness	62
Mission & 24th Street	60
Mission & 18th Street	50
Market & 3rd Street	47
Townsend & 4th Street	40

Number of Trouble Reports by Type

All assaults	197
Assaults upon Operators	76
Assaults upon Passengers	121
Altercations between Operators and passengers, degree of violence unknown	637
Altercations between passengers, degree of violence unknown	379
Panic alarms	57
Intoxicated passengers	180
Deranged passengers	30
Robberies	42
Purse snatches	41
Pick pockets	489

Number of Trouble Reports by Type(continued)	
Guns on board	22
Shots fired on or near coach	13
Knives on board	13
Juvenile Disturbances	371
Graffitti	348
Windows smashed	515
Rocks thrown at coach	57
Other vandalism	53
Fare evasion	211
Transfer theft	794

Item 9 - File 97-92-69

Note: This item was continued from the September 28, 1993 Economic Vitality and Social Policy Committee Meeting.

1. This item is a draft ordinance establishing a line of credit loan guarantee program.

2. According to the proposed draft ordinance, healthy, active banking institutions are essential to the economic well-being of City residents and businesses. The proposed ordinance would encourage the City Treasurer to do more business with those banks that foster economic growth through providing fair lending practices and equitable provision of services to low- and moderate-income areas in San Francisco. This would be accomplished by requiring banks that do business with the City to submit a form disclosing the following information:

(a) Housing, consumer, and commercial (including small business) lending activity by census tract;

(b) Provision of banking services throughout the City by geographic area; and

(c) Lending for economic development and affordable housing development throughout the City by geographic area.

The proposed ordinance would require that such forms be submitted to the City Treasurer annually. The Treasurer would use the forms to evaluate banking institutions and rank them according to their performance. The Treasurer could then reward banks that are found to encourage community economic activity the most with more City business, and withdraw business from such banks as are ranked lower.

3. Although the title of the proposed ordinance is "Draft ordinance establishing a line of credit loan guarantee program," the proposed ordinance would not establish a line of credit loan guarantee program, but rather would reward banks that foster the economic interests of low- and moderate-income areas of the City.

4. According to the proposed ordinance, in order to protect the City's interests, the Board of Supervisors could exempt City banking transactions from the proposed ordinance, if application of the ordinance would be contrary to the best interests of the City.

5. This proposed ordinance was referred to the Mayor on December 10, 1992, for review and comment. In response, the Mayor's Office prepared a memo that was forwarded to the Clerk of the Board on December 31, 1992. This memo states: "We believe that the ordinance in its present form would not achieve [its stated] objectives. We also believe that the ordinance in its present form could have a

significant negative effect on employment, income, and tax revenues to the City." According to back-up information provided by the Mayor, this negative effect would result from the alienation of the banking industry in San Francisco. However, the Mayor expressed willingness to work with the Board of Supervisors to address "the perceived programs that motivate this draft ordinance."

6. A version of the proposed ordinance was referred to the City Attorney for preparation and approval as to form on December 10, 1992. According to Mr. Scott Emblidge of the City Attorney's Office, in June, 1993, the City Attorney's Office prepared an updated draft of the proposed ordinance. This updated draft and the first draft are currently in the file, but neither draft has been approved as to form.

7. According to Ms. Mary Callanan, Treasurer, the City of Los Angeles has approved a similar ordinance to this proposed ordinance, but has been unable to implement such an ordinance because of complications arising from defining the required information and limitations on staffing. Also, Ms. Callanan advises that at least four departments of the Federal government have attempted to achieve the same goals as the proposed ordinance, including the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision.

8. Ms. Callanan reports that it is the policy of the Treasurer (a) to make deposits of City monies in banks, (b) to make investments of securities offered by banks and (c) to use other banking services such as underwriting of bond issues based on competitive bidding procedures. In selecting a contractor, the Treasurer reviews, for example, the financial and transactional capacity of the bidder, its financial backing, and areas where the bank hires employees. The proposed ranking system could be another consideration in the competitive bidding process, according to Ms. Callanan.

Recommendation

Approval of the proposed legislation is a policy matter for the Board of Supervisors.

Item 10 - File 97-93-52

Item: Ordinance amending the Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate earned on one year Treasury Bills as of the date the lease between the landlord and the tenant is executed.

Description: According to Section 1950.5 of the California Civil Code, a security deposit is any payment, fee deposit or charge including, but not limited to any of the following: (1) compensation of a landlord for a tenant's default in the payment of rent; (2) repair of damages to the premises caused by the tenant; and (3) cleaning of the premises upon termination of the tenancy. Section 49.2 of the City's Administrative Code currently requires that a landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay at least five percent simple interest per year on all security deposits. The proposed ordinance would change this Administrative Code provision from "at least five percent simple interest per year" to "the interest rate earned on one year Treasury Bills as of the date the security deposit is received by the landlord".

Under the proposed ordinance, the interest rate earned on one year Treasury Bills would be defined as the Treasury Constant Maturity Rate, as published weekly by the Eleventh District Federal Reserve Board.

Comments: 1. The proposed change would still apply only to security deposits held for at least one year and would still not apply where the rent is assisted or subsidized by any government unit, agency or authority. Furthermore, under the proposed ordinance, there would be no change in the requirement that upon termination of the tenancy, the tenant would be entitled to a direct payment of any unpaid accrued interest no later than two weeks after vacating the premises. There would also be no change to the provision that the landlord may retain any portion of the unpaid accrued interest subject to the limitations of Section 1950.5(e) of the California Civil Code, where the security deposit alone is insufficient to remedy tenant default in the payment of rent, to repair damages to the premises caused by the tenant, exclusive of ordinary wear and tear. or to clean such premises, if necessary, upon termination of the tenancy.

2. The proposed ordinance would only apply to leases entered into after the date that the proposed legislation is adopted and would not be retroactive to existing leases.

3. According to Ms. Ilene Dick of the City Attorney's Office, the proposed legislation, which would change the interest rate paid on security deposits from a fixed five percent to a variable rate, is intended to more accurately reflect interest rates that are in effect at the time the lease is entered into between the landlord and the tenant. Under the proposed legislation, the annual Treasury Constant Maturity (TCM) rate that is in effect on the date that the lease is signed would be the basis for determining the amount of interest paid. The TCM rate is the annual rate earned by Treasury Bills that have a one-year maturity. However, it should be noted that the TCM rate changes weekly.

4. Ms. Dick notes that there are numerous interest rates that are in effect everyday, none of which necessarily reflect the commercial nature of the landlord-tenant relationship. For example, Ms. Dick cites rates earned on various Treasury Bills, interest rates banks charge preferred commercial customers (prime rates), rates charged on most savings deposits of small business and on-commercial accounts (passbook rates), rates charged for borrowing money to purchase real estate (mortgage rates), etc.

5. The Budget Analyst notes that the one-year Treasury Constant Maturity rate is currently 3.55 percent. Therefore, a security deposit of $500 for one year would earn $25, under the existing provision of a simple five percent interest. Under the proposed legislation, based on the current 3.55 percent interest rate, a security deposit of $500 for one year would earn $17.75, a difference of $7.25.

6. Ms. Dick reports that another concern is that the current ordinance provides for no City enforcement or oversight. Section 49 of the Administrative Code, which is the subject of the proposed legislation, is not part of the City's Rent Control Ordinance, which is the responsibility of the Rent Arbitration and Control Board (Rent Board). Given that the proposed rate would be variable and would likely result in numerous questions regarding its implementation, Ms. Dick notes that consideration should be given to what, if any, ongoing administrative assistance would be necessary to implement and enforce these changes. Currently, if there is a dispute between the

landlord and the tenant regarding the interest earned of security deposits, it must be adjudicated in Small Claims Court.

7. According to Mr. Joe Grubb of the Rent Board, although enforcement of Section 49 of the City's Administrative Code is not the responsibility of the Rent Board, staff at the Rent Board respond to numerous questions regarding these provisions. Mr. Grubb estimates that the Rent Board currently receives an average of 365 telephone calls per month from both landlords and tenants regarding the interest owed on security deposits. Based on an average of five minutes per call, the Rent Board estimates that their staff spend an average of 30.4 hours per month responding to such inquiries.

8. If the proposed legislation is adopted, Mr. Grubb reports that unless another agency or department is specifically designated to administer or enforce these provisions, most of the inquiries will be directed to the Rent Board. According to Mr. Grubb, he conservatively estimates that the Rent Board would receive three times as many calls as they currently receive, or approximately 1,095 inquiries per month. Given the more complicated nature of the proposed legislation, Mr. Grubb estimates that each inquiry would require twice as much time to answer, or approximately ten minutes, requiring a total of 182.5 hours of staff time per month. Based on the current salary of a 2975 Counselor, the Rent Board estimates that it would cost approximately $3,764 per month or $45,168 annually to respond to such inquiries.

9. Mr. Grubb notes that the above time and costs could possibly be mitigated by approximately 30 percent with the use of an automated message system. Such a system would provide information and instructions for tenants and landlords for calculating the required interest earnings. Mr. Grubb estimates that such a system would cost approximately $250 per month or $3,000 annually. Assuming, such a system could be implemented and reduce the required staff time by 30 percent, it would result in an overall annual staff and equipment cost of $34,618.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

SF
S90.238
#1
12/14/93

CALENDAR

ECONOMIC VITALITY & SOCIAL POLICY COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
DEC 13 1993
SAN FRANCISCO
PUBLIC LIBRARY

REGULAR MEETING

TUESDAY, December 14, 1993 2:00 PM ROOM 228, City Hall

MEMBERS: Supervisors Willie Kennedy, Barbara Kaufman, Annemarie Conroy

CLERK: Joni Blanchard

* * * * * * * * * * * * * * * *

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosnela at (415) 554-7704.
For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call the accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accomodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accomodate these individuals.

1. File 226-93-2. [Mission District Branch Library Renovation Plans] Hearing to consider plans to close the Mission District Branch Library for renovations. (Supervisor Leal)

   ACTION:

2. File 185-93-1. Hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community-based organizations. (Supervisor Kennedy)

   (Consideration continued from 11/23/93)

   ACTION:

3. File 107-93-3. [Case Management Services] Resolution requesting the Mayor to urge the Department of Social Services to enhance existing program with Catholic Charities Family Services to include three additional case manager positions specifically allocated for homeless families thereby joining the existing case managers to form a solid core of support services in-house which would not only expand a concept that is working but also alleviate the problem of waiting for a family to fall through the cracks before we are aware of a potential problem which could very well lead to homelessness for a particular family. (Supervisor Kennedy)

   ACTION:

4. File 97-93-52. [Interest Rates on Security Deposits] Ordinance amending Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate earned on one year treasury bills as of the date the lease is executed. (Supervisor Kennedy)

   (Consideration continued from 11/23/93)

   ACTION:

5. File 284-93-4. Hearing to consider alleged unfair practices toward African-American trucking businesses. (Supervisor Kennedy)

   (Consideration continued from 11/9/93)

   ACTION:

6. File 176-93-8. Hearing on unemployment in the African-American community and how it impacts the community and individuals. (Supervisor Kennedy)

   ACTION:

CALENDAR

HOUSING & LAND USE COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

RECESSED & REGULAR MEETINGS

THURSDAY, DECEMBER 16, 1993–10:00 AM ROOM 228, City Hall

MEMBERS: Supervisors Sue Bierman, Bill Maher, Kevin Shelley

CLERK: Joni Blanchard

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call the accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accomodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accomodate these individuals.

RECESSED MEETING

1. File 90-93-7. [Landmark of Historic Churches] Hearing to consider legislation landmarking San Francisco historic churches, specifically, Sacred Heart, All Hallows, St. Paul, Immaculate Conception and St. Brigid. (Supervisor Alioto)

   (Recessed from 12/2/93)

   ACTION:

2. File 111-93-2. Hearing to consider legislation which would temporarily prevent the demolition of all churches for the period of one year. (Supervisors Alioto, Bierman)

   (Recessed from 12/2/93)

   ACTION:

3. File 19-93-11. [Communication] Recommending establishment of One-Hour Parking Time Limit (7 a.m. - 6 p.m., everyday), Everglade Drive, both sides, between Sloat Boulevard and Ocean Avenue; DPT Order No. 515. (Department of Parking and Traffic)

   (Recessed from 12/2/93)

   ACTION:

4. File 124-93-8. [Everglade Dr, Prohibit Vehicles in Excess 6000 Lbs] Ordinance amending the Traffic Code by adding Section 28.1.94 thereto, prohibiting operation of vehicles in excess of 6000 pounds upon a portion of Everglade Drive; DPT Order No. 513 (Department of Parking and Traffic)

   (Recessed from 12/2/93)

   ACTION:

5. File 124-93-7. [Trucks in Excess of 6000 Pounds Chattanooga Street] Ordinance amending the Traffic Code by adding Section 28.5.45 thereto, prohibiting operation of trucks in excess of 6000 pounds upon a portion of Chattanooga Street. DPT Order No. 496 (Department of Parking and Traffic)

   (Recessed from 12/2/93)

   ACTION:

REGULAR MEETING

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered routine by the Committee, and will be acted upon by a single roll call vote. There will be no separate discussion of items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

   a. File 40-93-11. [Parking of Vehicles] Resolution extending the boundaries of Residential Permit Parking Area "N" in the North Inner Richmond and adding to the list of streets upon which time limitations shall apply. (Department of Parking & Traffic)

   b. File 40-93-12. [Parking of Vehicles] Resolution extending the boundaries of Residential Permit Parking Area "T" in the Forest Hill Area and adding to the list of streets upon which time limitations shall apply. (Department of Parking & Traffic)

   ACTION:

REGULAR CALENDAR

2. File 124-93-9. [Traffic Regulation] Ordinance amending Sections 11.1 and 11.2, to transfer authority for issuance of vehicle press cards from the Chief of Police to the Director of the Department of Parking and Traffic. (Department of Parking and Traffic)

   ACTION:

3. File 85-93-2. [Central Freeway Areawide Traffic Study] Resolution requesting that the Mayor urge Caltrans to await the completion of the Department of Parking and Traffic's Central Freeway Areawide Traffic Study with specific guidance from the Department of Planning's revised Civic Center Master Plan before beginning the process for retrofit of the Central Freeway and urging the Mayor to report to the Board of Supervisors within 30 days a work plan and time-table to adequately undertake the study of alternatives and findings and to report on the progress of the studies in accordance with Board Resolution 541-92. (Supervisors Hallinan, Bierman)

   (Consideration from 12/2/93)

   ACTION:

4. File 161-93-10.1. [Williams Building] Resolution urging the Redevelopment Agency to explore all possible uses to ensure the preservation and retention of the Williams Building; accept FEMA money to seismically upgrade the building and to demonstrate good faith to the 1984 agreement (See File 161-93-10). (Supervisors Maher, Bierman)

(Consideration continued from 12/2/93)

ACTION:

5. File 161-93-10. [Williams Building] Resolution urging the Redevelopment Agency to ensure the preservation and retention of the Williams Building; accept $6.8 million in FEMA money to seismically upgrade and fully restore the Williams Building; and to demonstrate good faith to the 1984 agreement (See File 161-93-10.1). (Supervisor Maher)

ACTION:

30.238
3
12/14/93

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

Public Library, Documents Dept.
ATTN: Jane Judson

DOCUMENTS DEPT.
DEC 14 1993
SAN FRANCISCO
PUBLIC LIBRARY

December 10, 1993

TO: Economic Vitality and Social Policy Committee

FROM: Budget Analyst

SUBJECT: December 14, 1993 Economic Vitality and Social Policy Committee Meeting

Item 1 File 226-93-2

1. This item is a hearing to consider plans to close the Mission Branch Library for renovations.

2. The Public Library is proposing to renovate and expand the Mission Branch Library, located at 24th Street. The renovations will provide for seismic upgrading as well as for handicapped accessibility. The planned expansion will add 1,338 square feet of public space, seating area and space for additional library collections to the existing 8,860 square feet, for a total of 10,198 square feet. According to the Public Library, this renovation project is scheduled to commence in June of 1994 and is projected to be completed by November of 1995 (approximately 18 months). The total estimated design and construction cost for this project is $1,656,408. The source of funds for this $1,656,408 is 1988 Library Improvement Bond Funds ($829,894), Earthquake Safety Bond Program funds ($100,000), General Fund monies ($29,935) and Federal grant funds ($696,579). The $29,935 in General Fund monies plus the Federal grant funds in the amount of $696,579 have been previously appropriated in the Library's 1993-94 budget.

3. The Library advises that the Mission Branch Library, which is the third busiest Branch in the City (over 200,000 visitors each year), houses the largest Spanish language collection in San Francisco and one of the largest in Northern California. The Library states that children and senior citizens are major users of this Branch Library, where over 50,000 children's books are circulated and over 5,000 children attend special Library programs each year. According to the Library, the closure of the Mission Branch Library, while necessary in order to perform the

planned renovation, would not only have an impact on the residents of the Mission District, but would also effect Spanish speaking residents City-wide.

4. The Library reports that public meetings were held in the Mission District on the subject of the planned renovation of the Mission Branch Library. According to the Library, the community representatives who attended these meetings were strongly opposed to the closure of the Mission Branch Library during construction and stated that this Branch Library should be operated at a temporary site until the construction is completed.

5. The Library has submitted a supplemental appropriation request to the Mayor's Office in the amount of $142,075 to pay for the rental of a temporary site (including related moving costs), located at 2915-2921 Mission Street, for the Mission Branch Library, for FY 1993-94 (7.5 months). The Library is proposing to occupy the temporary site for approximately 28 months for a total estimated cost of $306,668. The source of funds for the proposed $142,075 supplemental appropriation is General Fund monies. The Library is proposing to occupy the temporary site five months (January through May of 1994) prior to the June, 1994 construction start-up date because the current Mission Branch Library facility lacks adequate heating due to a defective boiler which cannot be repaired, according to the Library's Engineers and the Department of Public Works. The Library advises that various methods were explored to provide heat in this facility last winter. However, according to the Library, because of the size of the facility and the electrical system limitations, it was impossible to bring the entire facility up to the CAL OSHA work space standard of 65 degrees fahrenheit.

6. The Mayor's Office is not presently recommending approval of the Library's supplemental appropriation request in the amount $142,075 for the rental of the temporary site for the Mission Branch Library. The Mayor's Office advises that it is reviewing alternative funding sources with the community.

Item 2 - File 185-93-1

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of November 23, 1993.

Item: This item is a hearing to consider the status of expenditures from the Children's Services Plan allocated to departments and community based organizations.

Description: Proposition J, commonly known as the "Children's Amendment", that was approved by the electorate in November, 1991 amended Section 6.415 of the Charter to require the establishment of the San Francisco Children's Fund. The San Francisco Children's Fund augments the level of expenditures for services and programs for children. The Children's Amendment requires that the City (a) maintain a baseline level of expenditure for children's services which is equal to or greater than the level of expenditure in fiscal year 1990-91 or 1991-92, whichever is greater (adjusted by the percentage change in City appropriations for years after 1991-92) and (b) set aside a certain percentage of property tax revenues to fund additional services above and beyond the baseline level of services.

The Children's Fund is funded by an annual set-aside of ad valorem (property) tax revenues in the amount of $0.0125 (one and one quarter cents) per hundred dollars of assessed valuation for Fiscal Year 1992-93 and $0.025 (two and one half cents) per hundred dollars of assessed valuation for Fiscal Year 1993-94 and the eight subsequent fiscal years. The Children's Amendment will expire after a total of ten years.

The Controller certified that the City's appropriations for children's services prior to adoption of the Children's Amendment totaled approximately $43.5 million for fiscal year 1991-92. This baseline amount of approximately $43.5 million for fiscal year 1991-92, adjusted by the percentage change in City appropriation in subsequent years, represents the required minimum expenditure by the City for children's services in each of the ten fiscal years. For 1992-93, the change in City General Fund appropriations from 1991-92 was an increase of 1.94 percent resulting in a Children's Baseline for 1992-93 of approximately $44.3 million ($43.5 million plus approximately $0.8 million or 1.94%) For 1993-94, the change in City General Fund appropriations from 1992-93 is a decrease of 14.07 percent resulting in a Children's Baseline for 1993-94 of approximately $38.1 million ($44.3 million less approximately $6.2 million or 14.07%).

Although the Children's Baseline calculation indicates a minimum level of services to be provided by the City, the total actual amounts budgeted by the various City departments other than the Children's Fund (department) may differ from the Children's Baseline due to others factors such as a department's assessment of the need for a particular service to children. The 1992-93 Children's Fund budget was approximately $6.2 million. The total budgeted funding for children's services in all City departments for 1992-93 was approximately $52.3 million ($6.2 million budgeted in the Children's Fund plus approximately $46.1 million budgeted for children's services in other City departments). The Controller's Office estimates that the ad valorem tax revenue for the 1993-94 Children's Fund budget will be approximately $12.7 million, resulting in total estimated budgeted funding for all children's services, including approximately $46.8 million budgeted for children's services in other City departments, of approximately $59.5 million.

The Children's Amendment requires that for the first four fiscal years in which monies are set aside, the City must allocate at least 25 percent of the Children's Fund to each of three areas of "eligible services": 1) childcare, 2) health and social services, and 3) job readiness, training, and placement. The balance of not more than 25 percent of the Fund may be used only for libraries, recreation, delinquency prevention, and education programs for children. Beginning with the fifth fiscal year (1996-97), the Board of Supervisors may modify or eliminate these minimum funding requirements. The Children's Amendment does not specify how administrative costs of these programs are to be paid.

The Children's Amendment also requires that the Mayor submit to the Board of Supervisors, by December of each year, a "Children's Services Plan" for the next fiscal year to specify the goals and objectives to be achieved through expenditures from the Children's Fund, to outline proposals for expenditures from the Children's Fund and to recommend City departments to administer the funded programs.

The Children's Services Plan for 1993-94 as previously approved by the Board of Supervisors (File 185-92-5) is as follows:

SERVICE CATEGORIES

Childcare

Vouchers to Parents	$454,764
Provider Center Subsidies	606,440
SFUSD Children's Centers	80,000
After School Care Programs	246,409
Respite Care	318,855
Day Care Technical Assistance	37,500
S. F. Unified Departmental Services	965,845
Special Projects	141,365
Matching Funds	39,228
Department Annualization	29,241
Special Needs	150,279
Total-Childcare	$3,069,926

Health and Social Services

Public Health Nurse - AFDC Intake	$22,000
Health Outreach Worker	22,000
Neighborhood Preventive Health Team	368,945
Healthy Start Matching Funds	100,000
Mental Health Centers Outreach	149,040
GAIN Teen Program	225,000
Prevention Services	592,120
Homeless Families	56,250
Mental Health to Child Care	147,290
Child Abuse Prevention	88,767
S. F. Unified Departmental Services	939,775
Special Projects	136,690
Matching Funds	42,722
Department Annualization	44,044
Special Needs	135,283
Total-Health and Social Services	$3,069,926

SERVICE CATEGORIES

Job Readiness, Training, and Placement

Dropout Prevention	$244,822
Job Readiness	897,033
Foster Children Vocational Counseling	28,000
Mayor's Youth Employment & Educ.	300,000
Workreation Expansion	64,590
Early Exposure - ages 12-14	130,510
S. F. Unified Departmental Services	980,625
Special Projects	142,635
Matching Funds	44,576
Department Annualization	1,260
Special Needs	235,875
Total-Job Readiness, Training, and Placement	$3,069,926

Library, Recreation, Delinquency Prevention, Education

Extended Library Children's Hours	$321,543
Off-site Library Services	75,000
Age Appropriate Reading Materials	25,000
Rec/Park Youth Services Planner	55,878
Teen Multi-Service Centers	465,659
Tutorials/Peer Support	337,418
Alternatives to Detention	197,615
Cultural Enrichment	196,700
S. F. Unified Departmental Services	979,940
Special Projects	142,535
Matching Funds	44,560
Department Annualization	18,977
Special Needs	209,101
Total Library, Recr., Delinquency Prev., Educ.	$3,069,926
Total Service Categories	**$12,279,704**

ADMINISTRATIVE COSTS

Personnel (salaries and fringe benefits)	$607,424
Professional Services	249,772
Rent, supplies and equipment	42,300
Miscellaneous	20,800
Total Administrative Costs	**$920,296**
TOTAL CHILDREN'S PLAN	**$13,200,000**

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The Children's Services Plan for 1993-94 as approved by the Board of Supervisors includes a total of $3,866,185 that is allocated to the San Francisco Unified (not the San Francisco Unified School District) Departmental Services fund and also includes a total of $563,225 that is allocated for Special Projects as follows:

Service Category	San Francisco Unified Departmental Services	Special Projects
Childcare	$965,845	$141,365
Health and Social Services	939,775	136,690
Job Readiness, Training, and Placement	980,625	142,635
Library, Recreation, Delinquency Prevention, Education	979,940	142,535
Total	$3,866,185	$563,225

2. The San Francisco Unified Departmental Services fund (also known as the Community Based Organization [CBO]/Departments Collaboration fund) will be administered by the MOCYF to obtain children's services provided jointly by the San Francisco Unified School District, other City departments, the Private Industry Council (PIC) and other community based organizations. Mr. Alan Smith of the Mayor's Office of Children, Youth and their Families reports that because the final $12.7 million estimate of ad valorem revenues for 1993-94 is $0.5 million less than the $13.2 estimate that was the basis for preparation of the Children's Services Plan for 1993-94, expenditures for the San Francisco Unified Departmental Services fund will be reduced by the $0.5 million difference ($13.2 million less $12.7 million) from the approximately $3.9 million shown in Comment 1, above, to approximately $3.4 million. Additionally, Mr. Smith indicates that the Mayor's Office is considering a supplemental appropriation ordinance that would further reduce the allotment for San Francisco Unified Departmental Services by approximately $1.1 million from $3.4 million to $2.3 million. The $1.1 million would be transferred to other service categories for programs to be transferred from the Department of Public Health (DPH) to the Children's Fund, thereby freeing up approximately $1.1 million of General Fund monies currently allocated to the DPH.

3. The Economic Vitality and Social Policy Committee directed the Mayor's Office of Children, Youth and their Families to report back to the Committee on the specific details of the proposed expenditures of $3,866,185 (reduced to approximately $3.4 million and possibly to $2.3 million, see Comment 2, above) for San Francisco Unified Departmental

Services, $563,225 for Special Projects and $249,772 for Professional Services in the Administrative Costs category and the overall status of their administrative expenses, including the number of administrative positions. The Mayor's Office of Children, Youth and Their Families indicates that they will make their responses to the Committee at the hearing.

Item 3 File 107-93-3

1. The proposed resolution would request the Mayor to urge the Department of Social Services (DSS) to enhance the Department's existing contract with Catholic Charities Family Services to include three additional Case Manager positions specifically designated to serve homeless families.

2. The DSS currently contracts with Catholic Charities Family Services for the provision of short and long-term Case Management services for approximately 250 families who are either homeless or at-risk of becoming homeless. Short-term Case Management services include intake and assessment, crisis intervention and counseling, and housing placement and advocacy. Long-term Case Management services include designing a plan to support the family in maintaining their housing and integrating into the community and providing peer group support, money management and life skills training. Catholic Charities is requesting that their current contract with DSS be modified, effective FY 1994-95, to include funding for three additional Case Manager positions that would be specifically assigned to provide services to homeless families that are being served by Project Homeward Bound, a demonstration project which is funded by the Robert Woods Foundation. Catholic Charities serves as the fiscal agent for Project Homeward Bound, which provides permanent housing and other support services to homeless families who are eligible under the Section 8 Housing Program.

3. The estimated cost for the proposed three Case Manager positions, and the related operating expenses, is as follows:

Personnel	
Case Manager (3 FTE - annual salary of $27,555)	$82,665
Fringe Benefits	19,840
Subtotal	$102,505
Operating Expenses	
Rent	3,342
Travel	490
Telephone	300
Office Supplies	400
Administrative Overhead	16,505
Subtotal	$21,037
Total	$123,542

4. The DSS advises that the source of funding for the proposed $123,542 is General Fund monies.

5. Ms. Sharron Treskunoff Bailey Project Director of Project Homeward Bound, reports that Project Homeward Bound currently relies on in-kind Case Management services from 27 community-based agencies. According to Ms. Treskunoff Bailey, due to (1) the difficulty in coordinating these in-kind services and (2) the fact that these agencies have experienced cut-backs in funding which has

limited their ability to meet their commitment to provide an adequate level of in-kind support, a significant number of Project Homeward Bound clients are not receiving the necessary services. Ms. Treskunoff Bailey advises that Project Homeward Bound is currently providing services to 235 families that have been placed in Section 8 housing.

Comment

Ms. Maggie Donahue of the DSS advises that while DSS supports the need for additional Case Manager services for homeless families served by Project Homeward Bound, the Department is not certain that modifying its existing contract with Catholic Charities to pay for three new Case Manager positions is the only viable solution for addressing this need. According to Ms. Donahue, the DSS is in the process of considering various options with respect to this Catholic Charities' proposal, including the possibility of leveraging existing DSS Case Manager staff to support services provided by Project Homeward Bound. As such, Ms. Donahue advises that the DSS believes that this proposal by Catholic Charities is premature.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 4 - File 97-93-52

Note: This item was continued by the Economic Vitality and Social Policy Committee at its meeting of November 23, 1993.

Item: Ordinance amending the Administrative Code by amending Section 49.2 to change the amount of annual interest earned on security deposits from a simple five percent to the interest rate earned on one year Treasury Bills as of the date the lease between the landlord and the tenant is executed.

Description: According to Section 1950.5 of the California Civil Code, a security deposit is any payment, fee deposit or charge including, but not limited to any of the following: (1) compensation of a landlord for a tenant's default in the payment of rent; (2) repair of damages to the premises caused by the tenant; and (3) cleaning of the premises upon termination of the tenancy. Section 49.2 of the City's Administrative Code currently requires that a landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay at least five percent simple interest per year on all security deposits. The proposed ordinance would change this Administrative Code provision from "at least five percent simple interest per year" to "the interest rate earned on one year Treasury Bills as of the date the security deposit is received by the landlord".

Under the proposed ordinance, the interest rate earned on one year Treasury Bills would be defined as the Treasury Constant Maturity Rate, as published weekly by the Eleventh District Federal Reserve Board.

Comments: 1. The proposed change would still apply only to security deposits held for at least one year and would still not apply where the rent is assisted or subsidized by any government unit, agency or authority. Furthermore, under the proposed ordinance, there would be no change in the requirement that upon termination of the tenancy, the tenant would be entitled to a direct payment of any unpaid accrued interest no later than two weeks after vacating the premises. There would also be no change to the provision that the landlord may retain any portion of the unpaid accrued interest subject to the limitations of Section 1950.5(e) of the California Civil Code, where the security deposit alone is insufficient to remedy tenant default in the payment of rent, to repair damages to the premises caused by the tenant, exclusive of ordinary wear and tear. or to clean such premises, if necessary, upon termination of the tenancy.

2. The proposed ordinance would only apply to leases entered into after the date that the proposed legislation is adopted and would not be retroactive to existing leases.

3. According to Ms. Ilene Dick of the City Attorney's Office, the proposed legislation, which would change the interest rate paid on security deposits from a fixed five percent to a variable rate, is intended to more accurately reflect interest rates that are in effect at the time the lease is entered into between the landlord and the tenant. Under the proposed legislation, the annual Treasury Constant Maturity (TCM) rate that is in effect on the date that the lease is signed would be the basis for determining the amount of interest paid. The TCM rate is the annual rate earned by Treasury Bills that have a one-year maturity. However, it should be noted that the TCM rate changes weekly.

4. Ms. Dick notes that there are numerous interest rates that are in effect everyday, none of which necessarily reflect the commercial nature of the landlord-tenant relationship. For example, Ms. Dick cites rates earned on various Treasury Bills, interest rates banks charge preferred commercial customers (prime rates), rates charged on most savings deposits of small business and on-commercial accounts (passbook rates), rates charged for borrowing money to purchase real estate (mortgage rates), etc.

5. The Budget Analyst notes that the one-year Treasury Constant Maturity rate is currently 3.55 percent. Therefore, a security deposit of $500 for one year would earn $25, under the existing provision of a simple five percent interest. Under the proposed legislation, based on the current 3.55 percent interest rate, a security deposit of $500 for one year would earn $17.75, a difference of $7.25.

6. Ms. Dick reports that another concern is that the current ordinance provides for no City enforcement or oversight. Section 49 of the Administrative Code, which is the subject of the proposed legislation, is not part of the City's Rent Control Ordinance, which is the responsibility of the Rent Arbitration and Control Board (Rent Board). Given that the proposed rate would be variable and would likely result in numerous questions regarding its implementation, Ms. Dick notes that consideration should be given to what, if any, ongoing administrative assistance would be necessary to implement and enforce these changes. Currently, if there is a dispute between the landlord and the tenant regarding the interest earned of security deposits, it must be adjudicated in Small Claims Court.

7. According to Mr. Joe Grubb of the Rent Board, although enforcement of Section 49 of the City's Administrative Code is not the responsibility of the Rent Board, staff at the Rent Board respond to numerous questions regarding these provisions. Mr. Grubb estimates that the Rent Board currently receives an average of 365 telephone calls per month from both landlords and tenants regarding the interest owed on security deposits. Based on an average of five minutes per call, the Rent Board estimates that their staff spend an average of 30.4 hours per month responding to such inquiries.

8. If the proposed legislation is adopted, Mr. Grubb reports that unless another agency or department is specifically designated to administer or enforce these provisions, most of the inquiries will be directed to the Rent Board. According to Mr. Grubb, he conservatively estimates that the Rent Board would receive three times as many calls as they currently receive, or approximately 1,095 inquiries per month. Given the more complicated nature of the proposed legislation, Mr. Grubb estimates that each inquiry would require twice as much time to answer, or approximately ten minutes, requiring a total of 182.5 hours of staff time per month. Based on the current salary of a 2975 Counselor, the Rent Board estimates that it would cost approximately $3,764 per month or $45,168 annually to respond to such inquiries.

9. Mr. Grubb notes that the above time and costs could possibly be mitigated by approximately 30 percent with the use of an automated message system. Such a system would provide information and instructions for tenants and landlords for calculating the required interest earnings. Mr. Grubb estimates that such a system would cost approximately $250 per month or $3,000 annually. Assuming, such a system could be implemented and reduce the required staff time by 30 percent, it would result in an overall additional annual staff and equipment cost of $34,618.

10. The office of the Sponsor of the proposed legislation indicates that an Amendment of the Whole may be introduced at the December 14, 1993 Economic Vitality and Social Policy Committee meeting. This Amendment of the Whole would require that after March 1, 1994, the rate of interest paid on security deposits would be equal to the rate of the Annual Rental Increase, as defined in Administrative Code Section 37.6 (d) and Rent Board Rules and Regulations Section 1.12, that is in effect at the time said interest is

payable. If the proposed Amendment of the Whole is approved, the proposed ordinance would change the Administrative Code provision concerning security deposits from five percent simple interest per year to the amount of the rate of the Annual Rental Increase.

11. According to Mr. Grubb, the Annual Rental Increase is established as of March 1 of each year, based on 60 percent of the Consumer Price Index (CPI). Mr. Grubb reports that the current Annual Rental Increase is 1.9 percent.

12. Mr. Grubb estimates that if the proposed Amendment of the Whole is approved, it could result in three times as many calls, or 1,095 inquiries per month to the Rent Board. However, since the Annual Rental Increase and security deposit interest rates would be the same, an automated message system could be developed to answer approximately 70 to 80 percent of the additional calls. Mr. Grubb reports that the existing Rent Board staff should be able to handle the balance of the additional workload, given that he anticipates that the call volume would likely be reduced after the first year.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Kennedy
Supervisor Kaufman
Supervisor Conroy
President Alioto
Supervisor Bierman
Supervisor Hallinan
Supervisor Hsieh
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD of SUPERVISORS

City Hall
San Francisco 94102
554-5184

NOTICE OF CANCELED MEETING

ECONOMIC VITALITY AND SOCIAL POLICY COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Economic Vitality and Social Policy Committee for Tuesday, December 28, 1993, has been canceled.

John L. Taylor
Clerk of the Board

Economic Vitality & Social Policy Committee
Housing & Land Use Committee
San Francisco Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

12442

HOUCHEN
BINDERY LTD
UTICA/OMAHA NE.
2004